

Audit Agenda



Wednesday 22 March 2023 at 7.30 pm

Conference Room 2 - The Forum

The Councillors listed below are requested to attend the above meeting, on the day and at the time and place stated, to consider the business set out in this agenda.

Membership

Councillor Chapman
Councillor Elliot
Councillor So Mahmood
Councillor Riddick (Chairman)

Councillor Silwal
Councillor Symington
Councillor Townsend

Substitute Members:
Councillors

For further information, please contact Corporate and Democratic Support or 01442 228209

AGENDA

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence

2. DECLARATIONS OF INTEREST

To receive any declarations of interest

A member with a disclosable pecuniary interest or a personal interest in a matter who attends a meeting of the authority at which the matter is considered -

- (i) must disclose the interest at the start of the meeting or when the interest becomes apparent

and, if the interest is a disclosable pecuniary interest, or a personal interest which is also prejudicial

- (ii) may not participate in any discussion or vote on the matter (and must withdraw to the public seating area) unless they have been granted a dispensation.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Members' Register of Interests, or is not the subject of a pending notification, must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal and prejudicial interests are defined in Part 2 of the Code of Conduct For Members

[If a member is in any doubt as to whether they have an interest which should be declared they should seek the advice of the Monitoring Officer before the start of the meeting]

3. MINUTES AND ACTIONS (Pages 3 - 10)

To confirm the minutes of the previous meeting and consider the actions

4. PUBLIC PARTICIPATION

An opportunity for members of the public to make statements and ask questions in accordance with the rules as to Public Participation

5. SUMMARY OF INTERNAL CONTROL ASSURANCE (SICA) REPORT (Pages 11 - 27)

6. AUDIT COMMITTEE TERMS OF REFERENCE (Pages 28 - 36)

DACORUM BOROUGH COUNCIL

AUDIT COMMITTEE MINUTES

8 FEBRUARY 2023

Present:

Councillors: Riddick (Chairman)
Silwal
Townsend

Officers:

F Jump	Head of Financial Services
N Howcutt	Chief Finance Officer
T Angel	Corporate & Democratic Support Officer
P Zieba	Hemel Garden Communities Programme Director
S Whelan	Hemel Place Strategy Programme Director
C Silva Donayre	Strategic Director, Corporate and Commercial
S Jayasinghe	Strategic Planning and Regeneration Team Leader
A Elliott	Revenues Team Leader

Others: Philip Lazenby (TIAA)

The meeting began at 7.30 pm

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Chapman, Symington and Elliot.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES AND ACTIONS

The minutes of the previous meeting were agreed by the members present and then signed by the Chairman.

There were no outstanding action points from the previous meeting.

4. PUBLIC PARTICIPATION

There was no public participation.

5. SUMMARY INTERNAL CONTROLS ASSURANCE (SICA)

P Lazenby presented the update, noting that 4 reports were being presented on council tax arrears, NNDR, Section 106 and Place Strategy. Substantial assurance have been given on the first three reports, and reasonable assurance has been given on Place Strategy.

The council tax arrears report has one routine recommendation regarding setting up a formal process for referral for an enforcement agency. Management have accepted this with a caveat around the necessity of doing this by exception over a 6-month period, which has been considered to be satisfactory.

NNDR has no significant recommendations and one operational recommendation, which is regarding best practice, and P Lazenby proposed not covering the report in any further detail.

The Section 106 report highlights a recommendation regarding the monitoring and maintaining of evidence and has been accepted by management.

The Place Strategy report has reasonable assurance with four recommendations classed as important and two as routine. The four important recommendations are largely in recognition of the importance of HGC (Hemel Garden Communities) and Hemel Place. The first recommendation suggests the memorandum of understanding be formalised, and management have provided a response indicating that it is a matter that is subject to partnership arrangements. A revised memorandum of understanding will be circulated for signing at a later date. The second recommendation looks at the risk register, and management have provided a response that is broadly in agreement with the response. P Lazenby referred to sections 3.1 and 4.1 of the policy regarding risk management, which highlight the importance of risk management arrangements, and management have provided a response indicating that they will update the risk register as well as an outline of how risk arrangements will be reported.

Looking at the next recommendation on Place Strategy regarding an adverse financial position, management have commented on this, disagreeing the overall level of adverse financial position and have noted the malleability of interdependencies. An update on this recommendation will be provided through the recommendation tracking process. The fourth recommendation notes key deliverables and the importance of having these as projects transition into active status. Management have provided an update and confirmed that KPIs (key performance indicators) will be updated as projects transition.

Councillor Townsend commented on Section 106 and asked what is being audited on the internal controls. P Lazenby advised that Section 106 is in relation to legal obligations regarding planning permission that the council has and the financial arrangements surrounding this. Section 106 was an area that was due to be audited though there has been little activity during the period with 4 ongoing projects.

Councillor Townsend asked which area Section 106 is focused on. P Lazenby stated that money had not been spent from the pots of money checked. Councillor Townsend queried if it was verified if there is a policy to spend this money. P Lazenby confirmed that the policy was checked.

The Chairman commented that Section 106 money is allocated specifically against projects and that it can take time before it is implemented during the progress of the actual development. Section 106 is project specific and obligations are tied up in legal agreements.

The Chairman suggested that Councillor Townsend may be confusing Section 106 with CIL, and Councillor Townsend retracted his comments.

Councillor Townsend stated that his concern is regarding the information being received on updates on Section 106 and is therefore not an audit concern.

It was clarified that Section 106 allocation is very specific and that it is checked that spending is in line with the legal agreement in place.

Councillor Townsend referred to the recommendation regarding the Place Strategy on page 11 of the report, noting the comment on the £170,000 deficit and the management comment suggesting that it is a £76,000 deficit. S Whelan noted that the budget has been in place for a draw down from reserves for around 18 months and is over a 2-year spend. The predicted overspend is up to September 2023 of £76,000. Given that work is likely to continue, it has been put forward into a restructure and further proposal regarding Place operation work. S Whelan advised that the financial forecast was confused in terms of budgeting between economic development and community partnerships due to Place, Communities and Enterprise being a new section of the Council. It has now been corrected as a £76,000 budgeted overspend.

Councillor Townsend queried where the £170,000 deficit had come from. N Howcutt explained that the audit had taken place in October 2022 when there was a pressure on the Place Strategy regarding the cost of delivery. When management responded, pressure was around £70,000, and there is now likely to be a balanced budget for the Place Project.

P Lazenby noted progress against the plan as detailed on page 14 of the report. A number of audits have been issued as final, two reports are in draft and will be provided at the next Audit Committee, and four additional audits have a brief issued and work is due to commence. P Lazenby stated that there are no concerns with regards to completing the plan by year-end.

Outcome

The Committee noted the report.

6. ANNUAL AUDIT PLAN 2023/24

P Lazenby took the report as read, noting the plan for consideration and potential approval. The first audit is MTFs (medium term financial strategy), as discussed at the last Committee meeting, and that this is a core audit to be undertaken to underpin the strategic risk that the organisation faces. The Period 1 Health and Safety works were also noted.

Outcome

The committee approved the annual audit plan for 2023/24.

7. 2023 STRATEGIC RISK REFRESH AND QUARTER 3 STRATEGIC RISK REPORT

N Howcutt presented the update, noting the recommendations to note the update, any further assurances, and to highlight the revised strategic risks put forward to the Committee and Cabinet.

N Howcutt advised of one change to the scores in reference to the Council's ability to provide sufficient quality and affordable homes, as linked to the moratorium. The moratorium has now been partially lifted, meaning that more development can be undertaken and there is now around £50m of new build programme in the HRA for next year. It was noted that the Council only provide a small amount of numbers and they are therefore reliant on the private sector.

Councillor Silwal queried the amber and red ratings. N Howcutt stated that part of the risk strategy outlines a matrix system for risks and anything that scores over 9 as an actual risk or over 4 as likely or consequence will be regarded as red, with amber being any item that scores over 2 or 3. The first red risk is on the failure to secure sufficient investment in essential infrastructure, which requires £1bn of investment, and is therefore particularly high risk as this relies on what funding is in place. The second red risk is regarding funding and income not being sufficient, particularly when there is an in-year pressure on budget. N Howcutt confirmed that there are several strategies in place to bring the budget back in line for the year.

N Howcutt noted the revised strategic risks, which commenced in June 2022 with a cross-party group of councillors to review the existing strategic risks. Key corporate priorities have been reviewed alongside the 52 objectives and key strategic risks have been identified around the delivery of the corporate plan. N Howcutt proposed a specific risk regarding climate and ecological emergency, which has cross-party support.

N Howcutt stated that, following the appointment of a new administration in May, there will likely be a new corporate plan and the strategic risks may need to be reviewed again, though the proposed risks remain a good basis for what the Council needs to focus on. Work has been benchmarked against other local authorities and it is therefore felt that the proposed list of strategic risks is appropriate for approval.

Councillor Townsend asked if the corporate plan had changed. N Howcutt explained that the corporate plan was revised in 2021 when the climate emergency was included in more detail. It was noted that Brexit negotiations have been removed.

Councillor Townsend noted the risk regarding infrastructure and asked how the scope of this risk is defined given that DBC is not responsible for all infrastructure. N Howcutt advised that the risk is now linked to the failure to deliver place, shaping and regeneration ambitions, meaning there is now more of a focus on what the Council does. N Howcutt referred to page 44 detailing the revised strategic risks as outlined in Table 1, stating that the risk has now been revised to ensure it is more appropriate. It was noted that HCC (Hertfordshire County Council) have a wider infrastructure development plan that they are delivering.

Councillor Townsend queried if the Risk Management Policy and Risk Management Guide would also be discussed. N Howcutt advised that these are part of the review.

Councillor Townsend commented that the Risk Management Policy is also referred to as a strategy. N Howcutt explained that the strategy and policy are effectively the same and confirmed that he would correct the references within the report.

Councillor Townsend noted the Committee's role to oversee risk management and asked what governance actions the Audit Committee is required to take. N Howcutt clarified that strategic risks are first reported to the Audit Committee to allow for scrutiny, and it was confirmed that the Committee provides oversight as Cabinet will approve the strategic risk reports whilst reflecting the Audit Committee's review. P Lazenby suggested that the Audit Committee has more responsibility regarding risks than stated give that the Committee's Terms of Reference articulates the responsibility in respect of identifying weaknesses, risks and receiving assurance, and it is therefore the Committee's duty to take an overall view of these risks. P Lazenby agreed that the Audit Committee does not have overall responsibility for each individual item, though it does have an overall monitoring responsibility.

Councillor Townsend suggested that the Audit Committee is responsible for setting the risk appetite and therefore the approval of the policies would also fall to the Committee. N Howcutt explained that risk appetite has to be set as part of strategic risks going forward and this needs to be discussed with members and the Audit Committee, with the Committee needing to be comfortable with the risk appetite being set. N Howcutt advised that now the new strategic risks are in place, they can now look at setting the appetite for these risks.

Councillor Townsend queried if the risk management framework is decided by Cabinet or the Audit Committee. N Howcutt stated that both the Audit Committee and Cabinet have to accept the risk strategy and appetites set. P Lazenby added that Cabinet has the ultimate say on the risk appetite of the organisation and that it is the Audit Committee's responsibility to monitor against this.

Councillor Townsend asked about the approval of the Risk Management Policy and where the responsibility for approvals sits. N Howcutt explained that the policy was brought to the Audit Committee for feedback and that it would not be taken to Cabinet for ratification unless the Audit Committee was comfortable with the policy.

Councillor Townsend noted that the Audit Committee was being asked to oversee the policy rather than formally approve it. N Howcutt stated that this was the language used in the recommendation.

N Howcutt asked if the recommendation could be updated to ask for approval. Councillor Townsend commented that his expectation was to comment on the policy rather than approve it. N Howcutt noted that the Councillor had read the policy and not raised any concerns. Councillor Townsend asked that the governance regarding the Audit Committee's responsibilities is considered further.

P Lazenby commented that the last version of the document was prepared in 2020 and has been brought to the Audit Committee, though this is now a new version and should be formally ratified.

N Howcutt stated that the policy could be brought back to the Audit Committee meeting in March for formal ratification.

Councillor Townsend stated that he did not wish to delay the process in approving policy and requested that the governance be considered for the future.

N Howcutt suggested the following options; that the recommendation be updated to approve the policy in the meeting, that they approve the recommendation and it be brought back to the Committee at a later date, or to approve the recommendation and an update be circulated electronically for approval.

The Chairman stated that having it circulated electronically would mean that members are reviewing the policy as individuals rather than an assembled committee and that he would therefore not recommend that option.

Councillor Townsend stated that he was comfortable approving the policies, subject to the comments raised being considered for the next iteration.

The Chairman noted that there is already a strong level of governance in place and recommended that this governance not be updated if not necessary.

Outcome

The Committee agreed the recommendations.

8. DRAFT TREASURY MANAGEMENT STRATEGY 2023-24

F Jump presented the update, noting that this was brought to the Committee as a supplementary item. The document has not been brought to the Audit Committee in the past, with Cabinet typically undertaking the scrutiny of this as part of the budget papers. F Jump stated that it was felt appropriate that the Audit Committee should review the strategy to provide comment and feedback for Cabinet to consider when making the recommendation to Council.

The strategy provides an outline on how the organisation manages cash flow, borrowing and investments, and the content of the strategy is dictated by legislation and CIPFA's Treasury Management Code of Practice. F Jump advised that prudential indicators must be included, a set of financial performance indicators to provide an overview of capital expenditure and borrowing requirements.

F Jump advised there is a new Treasury Management Code of Practice that will be effective from 1 April 2023, which includes increased reporting requirements. At present 3 documents are produced each year, the strategy, a mid-year update, and a report on performance

produced at the end of the year. The new code requires quarterly reporting and this will be provided from 1 April 2023, which should be brought to both the Audit Committee and Cabinet. The new code also requires a liability benchmark indicator, which provides an overview of the Council's indebtedness, and a statement on ESG issues regarding treasury management also needs to be included. It was noted that skills and training for those who work on the strategy must be proportionate to treasury management activity.

Councillor Silwal commented on borrowing and asked if this amount could be justified. F Jump advised that borrowing for local authorities is part of the normal course of events with the majority of forecasted borrowing in relation to the housing revenue account and investment into housing stock. This work can be financed in a number of ways, including rental income and selling off existing assets, with borrowing being the final option.

The Chairman asked if a review of revaluing stock is required to ensure there is adequate range of equity. F Jump confirmed that stock is valued on an annual basis and that borrowing undertaken is independent of valuation. If it was felt there was significant market changes then more regular reviews would be taken.

N Howcutt noted the debt increasing to over £400m and advised that the Council has a housing stock of 10,000. On average, debt is around £30-35,000 per property and each property is worth more than this.

Councillor Townsend queried where the social statement is included in the report. F Jump noted that this is on page 35 of the supplementary item.

Councillor Townsend noted the change in investments with an increased focus on unspecified investments and asked for further clarification on this. F Jump explained that investments are categorised as specified or unspecified, with specified investments generally being those in sterling products that are UK-based and less than 12 months in duration, and unspecified covering all other investments. Practice generally dictates that investments are not undertaken for longer than 12 months, though it is felt that the return to the authority can be increased by undertaking investments in longer-term products, provided that the counterparties have the same level of creditworthiness expected.

Councillor Townsend asked that the acceptable duration for investment be outlined as part of the policy. F Jump explained that there are no limits on an investment, though it would not be expected for any investments to go beyond a 2-year period. For creditworthiness, there would be no change in what is expected and this is set out in the strategy document with ratings taken from a number of agencies. F Jump stated that a number of factors are taken into consideration, including ratings, and that these are set out in the policy, though they will generally access higher rated counterparties. N Howcutt added that they would generally only look at AAA ratings.

Councillor Townsend asked if unspecified investments will only be bonds, loans or money market instruments. F Jump confirmed that they don't take preferred shares or equity as part of the current programme, and whilst the strategy would allow for them, it would be unlikely for this to change. N Howcutt added that whilst there are strategies in place that provide flexibility, they will always be led by security and liquidity before yields, meaning they will not

invest if there is a risk to the principle. Councillor Townsend commented that the underlying policy should reflect this. F Jump noted that the strategy does set out that security and liquidity are the first considerations with yields considered last, which is the overarching principle for treasury management investment.

Outcome

The Committee provided feedback on the strategy for the Cabinet's consideration.

9. NEW AUDITOR ANNOUNCEMENT

N Howcutt provided a verbal update, noting that the Council was part of the Public Sector Audit Appointments Programme to appoint external auditors for 2023-24 onwards. It has been confirmed that KPMG will be the Council's external auditors for 2023-24 and they are now awaiting communication to plan the audit. KPMG are new to the local authority audit market, having left the market 4-5 years ago, though they are a well-known organisation and should therefore receive the same level of service previously received.

10. WORK PROGRAMME

There were no changes to the work programme.

The meeting ended at 8:34 pm.



Internal Audit

FINAL

Dacorum Borough Council

Summary Internal Controls Assurance (SICA) Report

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2022/23

March 2023

Agenda Item 5

Summary Internal Controls Assurance

Introduction

1. This summary controls assurance report provides the Audit Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at Dacorum Borough Council as at 13th March 2023.

TIAA'S CONFORMANCE TO THE IIA STANDARDS AND CODES OF PRACTICE

2. TIAA Limited commissioned an External Quality Assessment (EQA) of its internal audit services in 2022. An EQA is required every five years, in line with the requirements of the International Professional Practices Framework (IPPF) and the Standards set by the Global Institute of Internal Auditors (IIA). The independent EQA considered our conformance with the IPPF and the Standards and also the Public Sector Internal Audit Standards (PSIAS), which govern internal audit in the public sector.

Our independent EQA was undertaken by a senior partner at Chiene + Tait, a long-established and high-quality accountancy firm headquartered in Edinburgh with offices in Scotland and London. The review assessed TIAA's internal audit methodology and delivery against the Core Principles, the Code of Ethics and the Standards. It took into account our comprehensive framework, our guiding policies, organisational culture, planning and delivery, investment in our people, tools and techniques and our quality assurance framework, including feedback from clients.

We are pleased to confirm that the independent EQA assessor was able to conclude that TIAA 'generally conforms to the requirements of the Public Sector Internal Audit Standards and the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF)'. 'Generally conforms' is the highest rating that can be achieved using the IIA's EQA assessment model. It was also noted that there were no areas of non-conformance or partial conformance with the Standards.

TIAA was also complimented on the standard of documentation provided which enabled them to form a positive conclusion.

Audits completed since the last SICA report to the Audit Committee

3. The table below sets out details of audits finalised since the previous meeting of the Audit Committee.

Audits completed since previous SICA report

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
Key Financial Controls	Reasonable	16/12/2022	24/02/2023	06/03/2023	-	1	3	1

4. The Executive Summaries and the Management Action Plans for each of the finalised reviews are included at Appendix A. There are no issues arising from these findings which would require the annual Head of Audit Opinion to be qualified.

Progress against the 2022/23 Annual Plan

5. Our progress against the Annual Plan for 2022/23 is set out in Appendix B.

Progress in actioning priority 1 & 2 recommendations

- 6. We have made no Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA. Appendix C outlines the outstanding recommendations, implemented follows will be reviewed by internal audit as part of the annual plan.

Frauds/Irregularities

- 7. We have not been advised of any frauds or irregularities in the period since the last SICA report was issued.

Responsibility/Disclaimer

- 8. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.


Executive Summaries and Management Action Plans

The following Executive Summaries and Management Action Plans are included in this Appendix. Full copies of the reports are available to the Audit Committee on request. Where a review has a 'Limited' or 'No' Assurance assessment the full report has been presented to the Audit Committee and therefore is not included in this Appendix.

Review	Evaluation
Key Financial Controls	Reasonable

Key Financial Controls

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

SR3 - Funding and income is not sufficient to deliver the Council's Corporate Objectives

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KEY STRATEGIC FINDINGS

The Finance Team has robust controls over processing supplier bank account changes, new suppliers, and invoices. However, there are several areas which could be further improved, namely:

- Periodic review of the supplier database.
- The production of and review of the Aged Creditors Listing on a monthly basis.
- Reinstate the circulation of the quarterly 'non-compliance' spend reports to Head of Service.

GOOD PRACTICE IDENTIFIED

The Creditors and Payments demonstrated that they were knowledgeable regarding key controls in relation to their area.

SCOPE

Key financial controls reviewed on an annual basis covering main finance systems and processes, with a more detailed review of each finance area on a modular basis over a three-year period. For 2022/23, this included Creditors and Payments.

ACTION POINTS

Urgent	Important	Routine	Operational
0	1	3	1

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
4	Directed	<p>Discussions held with the Financial Services Team Leader; it was noted that an Aged Creditors listing is not produced on a monthly basis. It was stated that the outstanding creditors relate to current period.</p> <p>At the time of the audit, the FSTL requested this information from the Business Systems Developer however was not received.</p>	It be ensured that Finance generate and review an Aged Creditors listing on a monthly basis, as part of the month end process.	2	<p><i>The auditor was provided with a copy of the aged creditors report at the time of the audit.</i></p> <p><i>Implemented-aged creditors listing are now set up to run on a monthly basis.</i></p>	<i>Already implemented.</i>	<i>Team Leader, Financial Services.</i>
1	Directed	<p>Finance's 'Payment Tasks & Procedures' spreadsheet, lists a suite of procedures available to staff.</p> <p>It was noted that the procedure review dates were primarily noted for 2018 with a few noted for 2019.</p> <p>From discussions held with the Financial Services Team Leader (FSTL), it was noted that procedures are relevant and have been subject to physical review, however there was no evidence of this in terms of version control.</p>	For completeness, a version control table should be added to the policy recording the date or review and or revisions and who it was undertaken by and their designation.	3	<i>Accepted and implemented.</i>	<i>Already implemented.</i>	<i>Team Leader, Financial Services</i>

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	Finance does not review the supplier database on an annual basis, for 'housekeeping' purposes. It was noted that a 'Dormant Supplier' report was requested from the Business Systems Developer during September 2022.	It be ensured that the Supplier Database is reviewed periodically throughout the year. To ensure dormant and duplicate suppliers are removed.	3	<i>Accepted and implemented.</i>	<i>Already implemented.</i>	<i>Financial Services Team Leader.</i>
3	Directed	Discussions held with the Procurement Lead Officer (Acting), it was noted that the former incumbent officer, used to circulate quarterly reports to Heads of Service, for non-compliance spend over £75,000. The last such report was circulated in Quarter 3 of 2021/22 and has not since been undertaken to date.	It be ensured that the Procurement Team reinstate the circulation and issuance of the quarterly non-compliance spend report to Heads of Service. To ensure spend over £75,000 is subject to procurement rules.	3	<i>Non-compliance reports have been reinstated. Non – compliance reports were sent to all Heads of Service during November 2022 for comment. Some of these have already been identified as new tendering opportunities on the Council's procurement forward plan.</i>	<i>Already implemented.</i>	<i>Procurement Lead Officer.</i>

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
1	Directed	<p>Review of the creditor payment process, it was identified that there are numerous officers involved in the 'signing off' process through to the final Bank payment.</p> <p>Discussions held with the Financial Services Team Leader (FSTL), it was stated that the Council has been subject, in the past, to fraudulent activity and as a result of this has adopted a more stringent process when it comes to supplier payments.</p>	Finance to review the current supplier payment approval process through to Bank authorisation to find a more simplified process.	<p><i>Current processes have been reviewed. The view from the Head of Financial Services is that the controls in place for the approval of creditor payments is proportionate to the risk associated with the process. Regular process review is carried out throughout the service. If view on risk changes for this process, adjustments will be made to the controls in place accordingly.</i></p>

Progress against Annual Plan

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System	Planned Quarter	Current Status	Comments
Corporate H&S	1	Fieldwork completed	Final Issues November 2022
Communications	1	Fieldwork completed	Final issued September 2022
Housing Allocations & Homelessness	1	Fieldwork completed	Final Issued September 2022
Insurances	1	Fieldwork completed	Final issued September 2022
Document Management Systems	2	Fieldwork completed	Draft Issued December 2022
Payroll	2	Fieldwork completed	Final Issued September 2022
Housing Benefit	2	Fieldwork completed	Final Issued September 2022
Commercial Asset Management	2	Fieldwork completed	Final issued October 2022
Key Financial Controls	3	Fieldwork completed	Final Issued March 2023
Council Tax	3	Fieldwork completed	Final issued January 2023
NNDR	3	Fieldwork completed	Final issued January 2023
Planning	3	Fieldwork completed	Final issued December 2022
Housing Rents	3 (4)	Audit Brief Issued	Work in Progress – Draft under Management review.
Housing Repairs & Maintenance	2 (4)	Audit Brief Issued	Audit rescheduled to Commence 13 th February 2023 awaiting new client contact.
Procurement/ Contract Management	4	Work in progress	Work in progress
Empty Homes	4	Fieldwork completed	Draft report issued 13/03/2023
Governance & Risk Management	4		Audit Brief issued in December 2022 put on hold by client until June 2023
Follow Up	3-4	Work in progress	August 2022 updates under review

KEY:

To be commenced

Site work commenced

Draft report issued

Final report issued

Priority 1 and 2 Recommendations - Progress update

Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
22/23 202122 Place Strategy HGP JD						
The MoU be finalised and signed by all parties as a matter of urgency. The MoU should outline each Partner's roles and responsibilities.	2	<i>The MOU is a partnership agreement, in which any partner can provide four weeks' notice to no longer be part of the partnership work. The findings articulate that a legal agreement has not been drawn up nor entered into. This is linked to the need for a sustainable financial future and is currently under discussion between partners. In the meantime, the Terms of Reference for the MOU are currently being concluded and the revised MOU will be circulated for signing.</i>	17/03/2023	Programme Director, Hemel Garden Communities	Last update 30/01/2023	

Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
<p>The HGC Risk Register to list, the relevant strategic risks, noted in each of the 3 Authorities Risk Register. The Risk Registers for both Hemel Place and HGC, must contain a sufficient level of detail pertaining to mitigating controls.</p>	2	<p><i>The HGC risk register has been amended to include relevant strategic risks from 3 authorities. The mitigation actions and controls have been reviewed and risk registers will continue to be reviewed throughout the relevant programme. The HGC risk register is reported to HGC Delivery Board quarterly. It is suggested that Hemel Place risk register is reported to the Corporate Place Board quarterly and an annual review reported to SPAEOSC.</i></p>	31/01/23	<p>Programme Director, Hemel Garden Communities</p>	<p>Last update 30/01/2023</p>	
<p>21/22 Waste Management</p>						
<p>The use of digital tachographs be progressed and implemented within a defined timescale. Adequate monitoring systems should be developed and implemented to provide regular assurance on Driver hour's compliance.</p>	2	<p><i>This forms part of phase 1 of the depot transformation programme that commences January 2022. A decision around the feasibility and cost of implementing digital tachographs will then be possible by end of Q3 2022.</i></p>	<p><i>Due date 31/12/2022 Revised date 31/03/2023</i></p>	<p>Group Manager - Environment</p>	<p>Last update 15/12/2022 <i>The introduction of the use of tachographs for recording driver hours is being done in consultation with Fleet and Waste Operations. RW to produce a briefing note on interpretation of legal position and negotiation required with staff / union over introduction of this recording method. Suggested implementation now end of Q4</i></p>	

Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
Action be taken by managers to ensure that Drivers complete declarations in compliance with the Operational Transport Policy.	2	<i>This forms part of phase 1 of the depot transformation programme that commences January 2022. A decision around the feasibility and cost of implementing digital tachographs will then be possible by end of Q3 2022. Drivers are required as part of their Terms and Conditions to request permission to undertake alternative work. If drivers ask this is refused due to restrictions on their driver's hours.</i>	Due date 31/12/2022 Revised date 31/03/2023	Group Manager - Environment	Last update 15/12/2022 Links to use of tachographs above. A formal one-day training course provided by Logistics UK (formerly Freight Transport Association) has been booked for up to 16 delegates on 17th January. This will give proper training delivered by a well regarded organisation to all managers, supervisors and staff in legislative compliance	
Action be taken by managers to address the Handbook content and ensure that Drivers complete the required declarations.	2	<i>Alternative wording has been agreed which will be presented to drivers for their understanding and agreement before the Driver Handbook is reproduced. Planned to assess new technology which would allow the vehicle to be locked with the engine running.</i>	Due date 30/09/2022 Revised date 31/03/2023	Transport Manager/Operations Manager	Last update 15/12/2022 Issue of immobilising vehicles when driver not in cab still being negotiated with staff and union	

Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
It is imperative that Managers develop and put in place a monitoring system, which ensures that medical checks are taken by the Drivers which complies with the License requirements.	1	<i>This is part of an ongoing piece of work to centrally record such matters and ensure reminders are in place. Some matters were overdue due to staff absence but this was addressed. In the meantime, a spreadsheet recording when last done it to be maintained to prevent recurrence. If medical checks are not undertaken by drivers then their licence will be suspended or revoked at which stage the employer will be informed. With regards eye test this was in relation to using display screen in cabs. This will need to be discussed with HR.</i>	Due date 31/03/2022 Revised date 31/03/2023	Operations Manager WasteGroup Manager	Last update 07/01/23 – Original management comments still apply.	
22/23 Corporate Health & Safety						
A formal plan of health and safety visits to be undertaken be developed and submitted to the Health, Safety and Resilience Committee for review and approval. Performance against the plan should be reported to each meeting of the Committee.	2	<i>Audits were suspended as part of the Covid pandemic response. Now this has stepped back, a schedule of audits will be developed that fit in with the overall strategy and policy aims.</i>	Due date 31/12/2022 Revised date 30/06/2023	CHSR Team	Last update 2/11//2022 All officers with Health and Safety responsibilities are receiving mandatory training in the last quarter of 22/23. An audit plan will be produced for 2023/24 and audits will be delivered once all staff have received this training	
Audits be undertaken in line with the approved plan of visits (see recommendation 8).	2	<i>As above</i>	Due date 31/12/2022 Revised date 30/03/2024	CHSR Team	Last update 2/11//2022 All officers with Health and Safety responsibilities are receiving mandatory training in the last quarter of 22/23. An audit plan will be produced for 2023/24 and audits will be delivered once all staff have received this training.	

Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
A formal set of key performance indicators for health and safety related activity be developed and monitored, building on the targets set out in the Health and Safety Strategy.	2	<i>This work has started, with key details being provided to directorate meetings, which then will feed into a corporate overview at the H&S Board.</i>	<i>Due date</i> 31/12/2022 <i>Revised date</i> 30/09/2023	CHSR Team	<i>Last update 09/03/23</i> <i>This will form part of the 2023/24 workplan, to be developed by the Corporate Health and Safety Board.</i>	
22/23 Communications						
The Performance reports, presented to the Finance and Resources Overview and Scrutiny Committee, be expanded to include progress/performance against the deliverables set out in the Annual Communications Programme.	2	<i>Performance reports for the Finance and Resources Overview and Scrutiny Committee will be reviewed for Q2 2022/23, to report against deliverables in the communications programme.</i>	<i>Due date</i> 30/09/2022 <i>Revised date</i> 28/02/2023	Kelvin Soley, Head of Communications	<i>Last update 09/12/22</i> <i>The last performance report went to F+R OSC and provided details of Communications service performance.</i> <i>The next performance report will go to F+R OSC on 07/03/22. The expectation is that this report will include further information to meet the requirements of this recommendation, including statistics relating to social media, website use, press etc.</i>	

Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
21/22 Safeguarding & Prevention						
The Council introduce contractual terms, in line with those in place for tendered contracts, to apply to all procurements where contractors are likely to interact with the public.	2	<i>Safeguarding clauses to be included (generally stated in the agreement where relevant) introduce additional clauses into the agreements where safeguarding is required and not included in the standard agreement. For below threshold agreements (£75k and below) this is more difficult. Procurement in general will not have sight of these and on most occasions the officers will manage this, meaning the Council will sign up to the suppliers Terms and Conditions and it will be governed by the Council's T&Cs on our Purchase Order. T&Cs being reviewed by Legal and add a safeguarding clause which can be referred to on the Council's Purchase Orders. Raise awareness to the clause around the Council so any contract where there is interaction with the public should be included in any new agreements.</i>	Due date 31/08/2022 Revised date 31/01/2023	Andrew Linden, Procurement, Team Leader	Last update 10/01/23 Awaiting Legal to carry out review of the Council's Terms and Conditions which will ensure the Council's contract are up to date with the latest safeguarding clauses. Any tender that goes through a procurement process will however be covered in terms of the current clauses for Safeguarding. Housing (where the majority of safeguarding issues will sit) are carrying out a thorough contract review and one of the issues is ensuring all contractors are complying with safeguarding. This will be completed by January 23. There is still an issue with identifying all safeguarding issues on lower value contracts and there is a reliance on Council officers being sufficiently trained to ensure safeguarding is considered for any new contracts.	
The Policy be reviewed and updated in line with the proposed changes and communicated to staff at the earliest opportunity.		<i>Policy is in the process of being reviewed and updated following staff changes and changes to the designated safeguarding leads.</i>	31/07/2022	Sue Warren, Lead Officer, Safeguarding	Last update 12.01.23 The policy has been reviewed and the supporting procedures are being developed to underpin the policy. There have been delays due to limited capacity within the team to complete this piece of work comprehensively. It is expected this work will be completed by 31/3/23	

Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
21/22 Planning Enforcement						
The risks to delivering an effective and timely planning enforcement service be recorded as a local risk and actions identified to mitigate the risk.	2	<i>The department's risk register does consider the risks associated with staffing shortages, though does not specifically deal with Planning Enforcement. ACTION: The Council's Risk Register to be updated to include the risks to delivering an effective and timely planning enforcement service, and mitigation actions.</i>	<i>Due date 31/5/2022 Revised date 07/02/2023</i>	<i>Alex Robinson (Group Manager – Planning and Development)</i>	<i>Last update 09/03/2023 The Head of Service has attempted to gain the permissions to amend the department's risk register (at the moment this is restricted to Assistant Director only). As soon as permissions have been provided, the Risk Register will be updated.</i>	
21/22 Governance and Risk Management						
The Directorate/ Department Operational Risk Registers (ORR) to list those Corporate Risks, which may impact on service delivery within their area. This will in turn demonstrate a connection between the Strategic and Operational risks. Furthermore, the ORR should capture the information listed under Recommendation 2, which will enhance the ORR.	2	<i>A more defined link between the operational risks and the Specific Strategic Risk register will be included in future reports.</i>	<i>Due date 30/09/2022 Revised date 31/03/2023</i>	<i>Hannah Peacock – Head of transformation and Performance Nigel Howcutt - CFO</i>	<i>Last update 09/03/2023 Operational risks are being reviewed as part of service planning 23/24, following approval of revised corporate/ strategic risks. The recommended links to corporate/ strategic risks will be incorporated against these operational risks as part of this work and also on the relevant in phase reports.</i>	

Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
20/21 GDPR/Information Governance						
An exercise be undertaken to review e-records and ensure a log of any destruction is appropriately recorded.	2	An on-going objective is to review the Council's e-records across all services to ensure that departments are aware of system records retention and any residual records on network shares. This is part of the Information Security Team Leaders (ISTL) Objectives. This is a major item of work, so the timetable for implementation is adjusted to reflect this	Due date 30/09/2022 Revised date 31/12/2023	Information Security Team Leader)	Last update 09/12/2022 Revised implementation date due to capacity within the service and other service priorities. Document retention policies are in place to support appropriate review and destruction of records as needed. Work on review of e-records per the recommendation to start in January 2023 and conclude end of December 2023.	

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KEY:

Priority Gradings (1 & 2)

1	URGENT	Fundamental control issue on which action should be taken immediately.	2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
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Risk Mitigation

CLEARED	Internal audit work confirms action taken addresses the risk exposure.	ON TARGET	Control issue on which action should be taken at the earliest opportunity.	EXPOSED	Target date not met & risk exposure still extant
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Audit Committee

Report for:	Audit Committee
Title of report:	Audit Committee Terms of Reference
Date:	22 nd March 2023
Report on behalf of:	Cllr Graeme Elliot, Portfolio Holder Finance & Resources
Part:	I
If Part II, reason:	N/A
Appendices:	Appendix A Audit Committee Terms of Reference Appendix B CIPFA's Position Statement on Audit Committee in Local Authorities and Police 2022
Background papers:	None.
Glossary of acronyms and any other abbreviations used in this report:	None

Report Author / Responsible Officer

Fiona Jump, Head of Financial Services



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Corporate Priorities	A clean, safe and enjoyable environment Building strong and vibrant communities Ensuring economic growth and prosperity Providing good quality affordable homes, in particular for those most in need Ensuring efficient, effective and modern service delivery Climate and ecological emergency
Wards affected	All

Purpose of the report:	1. To present the current Audit Committee Terms of Reference, as included in the Council's Constitution.
Recommendation (s) to the decision maker (s):	<ol style="list-style-type: none"> 1. To offer comment and feedback on the current Terms of Reference. 2. To agree any changes required to the current Terms of Reference. All agreed changes to be submitted as part of the next update of the Council's Constitution, for approval by Full Council.
Period for post policy/project review:	The Audit Committee Terms of Reference are included within the Council's Constitution. The Constitution is reviewed and updated on a regular basis.

1 Report

The purpose of this report is to present the current Audit Committee Terms of Reference, as outlined in the Council's Constitution, Responsibility for Council Functions, section 2.10. The Terms of Reference are set out at Appendix A to this report.

The Audit Committee is a key part of the Council's governance framework. Current arrangements for the Council's Audit Committee reflect the majority of the principles and practices outlined in CIPFA's Position Statement on Audit Committee in Local Authorities and Police 2022 (Appendix B to this report), issued in November 2022. An exception to this is the inclusion of independent members of the committee. This requirement is under review by officers. Proposals to meet this requirement will be brought to a future Audit Committee meeting.

2 Financial and value for money implications, legal implication and risk implications:

The purpose of the Audit Committee is to provide a high level focus on the adequacy of governance, risk and control arrangements within the Council. This helps ensure appropriate levels of financial control exist within the Council and the Council continues to offer value for money.

3 Equalities, Community Impact and Human Rights

A Community Impact Assessment is not required for this report. There are no Human Rights Implications arising from this report.

4 Sustainability implications (including climate change, health and wellbeing, community safety)

There are no direct sustainability implications arising from this report.

5 Council infrastructure (including Health and Safety, HR/OD, assets and other resources)

There are no direct Council infrastructure implications arising from this report

6 Conclusions

The Audit Committee Terms of Reference are set out at Appendix A to this report.

Dacorum Borough Council Audit Committee Terms of Reference

The functions of the Audit Committee shall be to exercise the audit powers of the Council in relation to:

External Audit:

- (i) To consider the Head of Internal Audit's annual report and opinion, and a summary of Internal Audit activity (actual and proposed) and the level of assurance it can give over the Council's governance arrangements.
- (ii) To consider summaries of specific Internal Audit reports as requested.
- (iii) To consider reports dealing with the management and performance of the providers of Internal Audit Services.
- (iv) To consider a report from Internal Audit on agreed recommendations not implemented within a reasonable timescale.
- (v) To consider the External Auditor's Annual Letter, relevant reports, and the report to those charged with governance.
- (vi) To consider specific reports as agreed with the External Auditor.
- (vii) To comment on the scope and depth of external audit work and to ensure it gives value for money.
- (viii) To liaise with the Public Sector Audit Appointments (PSAA LTD) over the appointment of the Council's external auditor.
- (ix) To commission work from Internal and External Audit.

Regulatory Framework:

- (x) To maintain an overview of the Council's Constitution in respect of contract procedure rules, financial regulations and codes of conduct and behaviour.
- (xi) To review any issue referred to it by the Chief Executive, Chief Finance Officer, Strategic Director, or any Council body.
- (xii) To monitor the Governance and Risk arrangements within the Council.
- (xiii) To monitor council policies on 'Raising Concerns at Work' and 'Anti-fraud and corruption'.
- (xiv) To oversee the production of the Council's Annual Governance Statement and to formally agree it.
- (xv) To monitor the Council's arrangements for governance and agreeing necessary actions to ensure compliance with best practice.
- (xvi) To monitor the Council's compliance with any relevant legislation and its own and other published, policies standards and controls.

Accounts:

- (xvii) To review and approve the annual statement of accounts. Specifically to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit.
- (xviii) To consider the External Auditor's report to those charged with governance on issues arising from the audit of the accounts.

Support

(xix) In order that the Audit Committee can exercise its audit powers properly it may require any senior officer to attend before the Audit Committee to answer questions within their remit and it is the duty of those persons to attend if so required.

CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022

Scope

This position statement includes all principal local authorities in the UK, corporate joint committees in Wales, the audit committees for PCCs and chief constables in England and Wales, PCCFRAs and the audit committees of fire and rescue authorities in England and Wales.

The statement sets out the purpose, model, core functions and membership of the audit committee. Where specific legislation exists (the Local Government & Elections (Wales) Act 2021 and the Cities and Local Government Devolution Act 2016), it should supplement the requirements of that legislation.

Status of the position statement

The statement represents CIPFA's view on the audit committee practice and principles that local government bodies in the UK should adopt. It has been prepared in consultation with sector representatives.

CIPFA expects that all local government bodies should make their best efforts to adopt the principles, aiming for effective audit committee arrangements. This will enable those bodies to meet their statutory responsibilities for governance and internal control arrangements, financial management, financial reporting and internal audit.

The 2022 edition of the position statement replaces the 2018 edition.

The Department for Levelling Up, Housing and Communities and the Home Office support this guidance.

CIPFA's Position Statement 2022: Audit committees in local authorities and police

Purpose of the audit committee

Audit committees are a key component of an authority's governance framework. Their purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The committee's role in ensuring that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance that those arrangements are effective.

In a local authority the full council is the body charged with governance. The audit committee may be delegated some governance responsibilities but will be accountable to full council. In policing, the police and crime commissioner (PCC) and chief constable are both corporations sole, and thus are the individuals charged with governance.

The committee has oversight of both internal and external audit together with the financial and governance reports, helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability.

Independent and effective model

The audit committee should be established so that it is independent of executive decision making and able to provide objective oversight. It is an advisory committee that has sufficient importance in the authority so that its recommendations and opinions carry weight and have influence with the leadership team and those charged with governance.

The committee should:

- be directly accountable to the authority's governing body or the PCC and chief constable
- in local authorities, be independent of both the executive and the scrutiny functions
- in police bodies, be independent of the executive or operational responsibilities of the PCC or chief constable
- have rights of access to and constructive engagement with other committees/functions, for example scrutiny and service committees, corporate risk management boards and other strategic groups
- have rights to request reports and seek assurances from relevant officers
- be of an appropriate size to operate as a cadre of experienced, trained committee members. Large committees should be avoided.

The audit committees of the PCC and chief constable should follow the requirements set out in the Home Office Financial Management Code of Practice and be made up of co-opted independent members.

The audit committees of local authorities should include co-opted independent members in accordance with the appropriate legislation.

Where there is no legislative direction to include co-opted independent members, CIPFA recommends that each authority audit committee should include at least two co-opted independent members to provide appropriate technical expertise.

Core functions

The core functions of the audit committee are to provide oversight of a range of core governance and accountability arrangements, responses to the recommendations of assurance providers and helping to ensure robust arrangements are maintained.

The specific responsibilities include:

Maintenance of governance, risk and control arrangements

- Support a comprehensive understanding of governance across the organisation and among all those charged with governance, fulfilling the principles of good governance.
- Consider the effectiveness of the authority's risk management arrangements. It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.
- Monitor the effectiveness of the system of internal control, including arrangements for financial management, ensuring value for money, supporting standards and ethics and managing the authority's exposure to the risks of fraud and corruption.

Financial and governance reporting

- Be satisfied that the authority's accountability statements, including the annual governance statement, properly reflect the risk environment, and any actions required to improve it, and demonstrate how governance supports the achievement of the authority's objectives.
- Support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them.

Establishing appropriate and effective arrangements for audit and assurance

- Consider the arrangements in place to secure adequate assurance across the body's full range of operations and collaborations with other entities.
- In relation to the authority's internal audit functions:
 - oversee its independence, objectivity, performance and conformance to professional standards
 - support effective arrangements for internal audit
 - promote the effective use of internal audit within the assurance framework.

- Consider the opinion, reports and recommendations of external audit and inspection agencies and their implications for governance, risk management or control, and monitor management action in response to the issues raised by external audit.
- Contribute to the operation of efficient and effective external audit arrangements, supporting the independence of auditors and promoting audit quality.
- Support effective relationships between all providers of assurance, audits and inspections, and the organisation, encouraging openness to challenge, review and accountability.

Audit committee membership

To provide the level of expertise and understanding required of the committee, and to have an appropriate level of influence within the authority, the members of the committee will need to be of high calibre. When selecting elected representatives to be on the committee or when co-opting independent members, aptitude should be considered alongside relevant knowledge, skills and experience.

Characteristics of audit committee membership:

- A membership that is trained to fulfil their role so that members are objective, have an inquiring and independent approach, and are knowledgeable.
- A membership that promotes good governance principles, identifying ways that better governance arrangement can help achieve the organisation's objectives.
- A strong, independently minded chair, displaying a depth of knowledge, skills, and interest. There are many personal skills needed to be an effective chair, but key to these are:
 - promoting apolitical open discussion
 - managing meetings to cover all business and encouraging a candid approach from all participants
 - maintaining the focus of the committee on matters of greatest priority.
- Willingness to operate in an apolitical manner.
- Unbiased attitudes – treating auditors, the executive and management fairly.
- The ability to challenge the executive and senior managers when required.
- Knowledge, expertise and interest in the work of the committee.

While expertise in the areas within the remit of the committee is very helpful, the attitude of committee members and willingness to have appropriate training are of equal importance.

The appointment of co-opted independent members on the committee should consider the overall knowledge and expertise of the existing members.

Engagement and outputs

The audit committee should be established and supported to enable it to address the full range of responsibilities within its terms of reference and to generate planned outputs.

To discharge its responsibilities effectively, the committee should:

- meet regularly, at least four times a year, and have a clear policy on those items to be considered in private and those to be considered in public
- be able to meet privately and separately with the external auditor and with the head of internal audit
- include, as regular attendees, the chief finance officer(s), the chief executive, the head of internal audit and the appointed external auditor; other attendees may include the monitoring officer and the head of resources (where such a post exists). These officers should also be able to access the committee members, or the chair, as required
- have the right to call on any other officers or agencies of the authority as required; police audit committees should recognise the independence of the chief constable in relation to operational policing matters
- support transparency, reporting regularly on its work to those charged with governance
- report annually on how the committee has complied with the position statement, discharged its responsibilities, and include an assessment of its performance. The report should be available to the public.

Impact

As a non-executive body, the influence of the audit committee depends not only on the effective performance of its role, but also on its engagement with the leadership team and those charged with governance.

The committee should evaluate its impact and identify areas for improvement.