



# Presentation to General Purposes and Audit Committee

**Sarah Ironmonger**

Director



# Role of audit committee

## Core functions

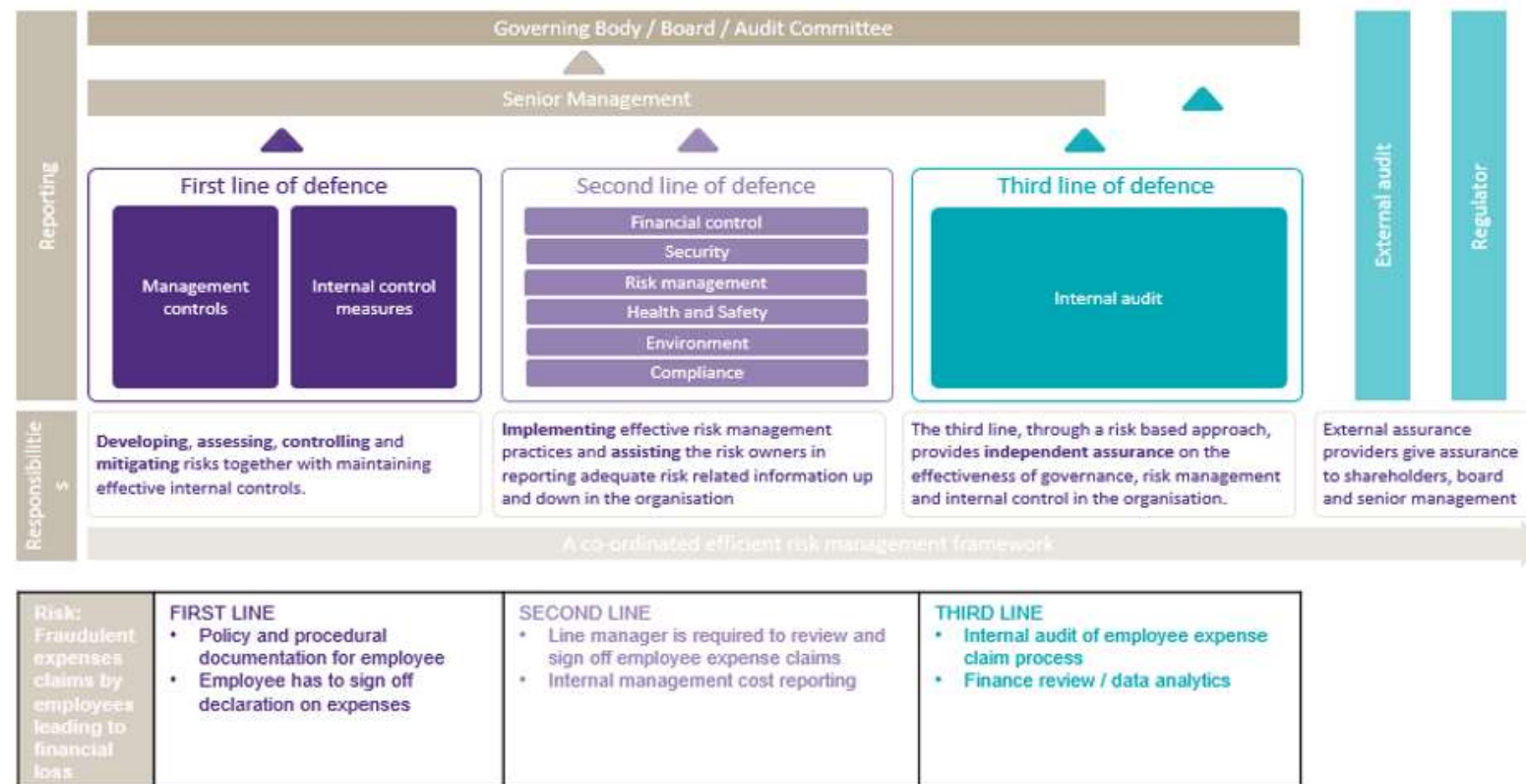
- Be satisfied that the authority's assurance statements properly reflect the risk environment and any actions required to improve it
- Oversee internal audit's independence, performance and professionalism, support the effectiveness of internal audit
- Monitor the effectiveness of the control environment
- Consider the reports and recommendations of external audit
- Review the financial statements, external auditor's opinion and reports to members and monitor management action in response to issues raised by external audit

GPAC terms of refence	In CIPFA statement on audit committees
To consider the effectiveness of the Council's risk management, the control environment and associated anti-fraud and anti-corruption arrangements	
To seek assurances that action is being taken on risk-related issues identified by auditors and inspectors	
To be satisfied that the Council's assurances statements including the Statement of Internal Control properly reflects the risk environment and any actions required to improve it	
To review but not direct internal audit's strategy, plan and monitor performance and make recommendations as appropriate to Cabinet and/or Full Council	

GPAC terms of refence	In CIPFA statement on audit committees
To review the annual report of the Head of Internal Audit and make recommendations as appropriate to Cabinet and/or Full Council	
To consider the reports of external audit and inspection agencies and make recommendations as appropriate to Cabinet and/or Full Council	
To ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies and that the value of the audit process is actively promoted	

GPAC terms of refence	In CIPFA statement on audit committees
To review the financial statements, external auditor's opinion and reports to Members, and monitor management action in response to the issues raised	
To make an annual report to the full Council	

# The three lines of defence risk management model: Integrated assurance



# External auditor duties

Local Audit and Accountability Act 2014

General duties – opinion on financial statements and value for money conclusion

Specific statutory duties

- Issue a Report in the Public Interest
- Make statutory recommendations
- Issue an Advisory Notice
- Apply to the court for an item of account to be declared unlawful
- Apply for a judicial review

## **Report in Public Interest themes**

### **Financial position – pre Covid-19**

Deteriorating over a number of years with overspends on

Reserve levels

Impact of flexible use of capital receipts for transformation funding

Budget monitoring

Budget setting



# Report in Public Interest themes

Treasury management

Governance of subsidiaries



---

[grantthornton.co.uk](https://grantthornton.co.uk)

© 2020 Grant Thornton UK LLP.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.