

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

The Audit Committee held a meeting on 24 March 2022 and considered the following business:

### **1. External Auditors report**

- 1.1 The Committee received an update from the external auditors, BDO, on work completed for the Homes England compliance audit and benefits assurance programme.
- 1.2 BDO were awaiting the outcome of the KPMG 2017/18 VFM opinion before commencing work on the outstanding accounts audits.

### **2. Risk Appetite Framework**

- 2.1 An update was provided on progress made in the implementation of a Risk Appetite Framework.
- 2.2 The Committee strongly supported the initiative and agreed to a soft implementation approach provided a timeframe and plan was put in place.
- 2.3 The Committee proposed that a risk section was added to Committee report templates going forward to demonstrate that risk was being considered when any decision was made.

### **3. Homes England Compliance Audit**

- 3.1 The Committee received a report which outlined the results of the Homes England Compliance Audit in relation to funding received for the development of the White House Hostel.
- 3.2 All programme requirements and guidance had been met and no breaches identified.
- 3.3 The Committee noted the outcome of the compliance audit.

### **4. Corporate Risk Management**

- 4.1 The Committee received a report setting out the risks faced in achieving corporate objectives and how these were managed, monitored and reported.
- 4.2 The Committee agreed to:
  - Present the significant strategic risks and issues highlighted in the report to the Corporate Policy and Resources Committee (CPRC) with a view to CPRC deciding on an appropriate course of action.
  - Pursue with CPRC scope for wider reporting of the Corporate Risk Register and Risk Action Plan across other Committees.

### **5. Covid-19 Risk Considerations**

- 5.1 The Committee considered the report which highlighted the pandemic recovery risks for Spelthorne.
- 5.2 The Committee's view was sought on future risk reporting and whether this should be extended beyond the pandemic to include other factors.
- 5.3 The Committee agreed to:
  - Note the COVID-19 pandemic recovery risk report and Risk Assessment.

- For future risk reporting, redefine the focus from the pandemic to wider external factors that impact the Council and its communities.

## **6. Changes to 2022/2023 Accounting Policies for SBC and Group**

- 6.1 The Committee received a report proposing a change in methodology to apply depreciation across the Council's lands and buildings to reflect the likely life expectancy of the various components of the assets
- 6.2 The Committee noted the changes.

## **7. Anti-Money Laundering Policy**

- 7.1 The Committee considered the proposed changes to the Anti-Money Laundering Policy which had been reviewed and updated.
- 7.2 The Committee agreed to recommend adoption of the revised policy to Council.

## **8. Internal Audit Annual Plan 2022/23**

- 8.1 The Committee considered the proposed plan for 2022/23.
- 8.2 The Committee was concerned that the plan would need to be refined should resource not be available for the appointment of an Audit Apprentice Officer.
- 8.3 The Committee agreed to note the plan and requested that the item was referred to the next meeting of the Committee in July for further consideration

## **9. Committee's Forward Plan for 2022/23**

- 9.1 The Committee noted the forward plan subject to the addition of:
  - The Risk Appetite Framework (July 2022)
  - Internal Audit Annual Plan 2022/23 (July 2022)
  - Budget setting process for additional staff (July 2022)
  - Revenue equalisation reserve (date to be confirmed)

## **10. VFM Task Group update**

- 10.1 The Committee noted that KPMG had given an indication of the conclusions they were minded to make and the Council had responded through the VFM Task Group.
- 10.2 A further response from KPMG was awaited advising to what extent those comments had been considered and how they intended to bring the matter to resolution.