

<b>Title of Report:</b>	<b>Audit Committee Annual Report 2023-2024</b>
<b>Committee Report Submitted To:</b>	<b>Audit Committee</b>
<b>Date of Meeting:</b>	<b>12<sup>th</sup> June 2024</b>
<b>For Decision or For Information</b>	<b>For Information</b>
<b>To be discussed In Committee YES/NO</b>	n/a

<b>Linkage to Council Strategy (2021-25)</b>	
Strategic Theme	Improvements and Innovation
Outcome	n/a
Lead Officer	Audit, Risk and Governance Manager

<b>Budgetary Considerations</b>	
Cost of Proposal	Minimum
Included in Current Year Estimates	<b>YES/NO</b>
Capital/Revenue	In house Revenue Costs
Code	3601-61000
Staffing Costs	Internal staff costs

<b>Legal Considerations</b>	
Input of Legal Services Required	<b>YES/NO</b>
Legal Opinion Obtained	<b>YES/NO</b>

<b>Screening Requirements</b>	Required for new or revised Policies, Plans, Strategies or Service Delivery Proposals.		
Section 75 Screening	Screening Completed:	Yes/No	Date:
	EQIA Required and Completed:	Yes/No	Date:
Rural Needs Assessment (RNA)	Screening Completed	Yes/No	Date:
	RNA Required and Completed:	Yes/No	Date:
Data Protection Impact Assessment (DPIA)	Screening Completed:	Yes/No	Date:
	DPIA Required and Completed:	Yes/No	Date:

## Table of Contents

1	Overview .....	3
2	Attendance.....	3-4
3	Performance Evaluations .....	4
4	Terms of Reference and Audit Charter .....	4
5	Audit Committee Meetings.....	4-5
6	Draft Financial Statements and Approval of Annual Governance Statements .....	5
7	Risk Management .....	5
8	Internal Audit .....	5-6
9	External Audit .....	6
10	Conclusions/Recommendations.....	6
	Appendix I: Audit Committee Work Plan .....	7
	Appendix II: Audit Committee Dates .....	8

## 1.0 Overview

Chartered Institute of Public Finance and Accountancy (CIPFA) has recommended that the Audit Committees should produce an annual report. The annual audit committee report should be used to provide accountability to those charged with governance on compliance with the Committees performance and provide assurance over the areas within its terms of reference.

The conclusions within the report can be used to support the Annual Governance Statement on Council.

The Audit Committee met on four occasions throughout 2023/24 on the following dates:

- 14<sup>th</sup> June 2023
- 20<sup>th</sup> Sept 2023
- 13<sup>th</sup> December 2023
- 13<sup>th</sup> March 2024

The position for Independent Member of the Audit Committee was advertised during July 2023, and Mrs Lesley Mitchell was appointed as an Independent Member of the Audit Committee for a further 12 months with a possible extension of 24 months.

*This report has been prepared for the Members of Causeway Coast and Glens Borough Council and should not be disclosed to any third party, quoted or referred to without prior written consent of the author.*

## 2.0 Attendance

Members attendance at audit committee meetings as follows:

<b>Committee Members Present:</b>	<b>Jun '23</b>	<b>Sept '23</b>	<b>Dec '23</b>	<b>Mar '24</b>	<b>Total</b>
Councillor McQuillan (chair)	✓	✓	✓	✓	4/4
Alderman McAuley (Vice Chair)	✓	✓	✓	✓	4/4
Alderman Callan	✓	✓	✓	✓	4/4
Councillor Archibald	✓	✓	✓	x	3/4
Councillor Callaghan	x	✓	x	x	1/4
Councillor Chivers	✓	x	✓	✓	3/4
Alderman Coyle (substitution for Cllr Schenning)	✓	x	✓	x	2/4
Councillor Holmes	x	n/a	n/a	n/a	0/1
Councillor Kane	✓	✓	✓	✓	4/4

Councillor Kyle	✓	✓	✓	✓	4/4
Councillor Mairs	✓	✓	✓	✓	4/4
Councillor McGurk	✓	✓	✓	✓	4/4
Councillor McMullan	✓	✓	x	✓	3/4
Councillor Schenning	x	✓	x	✓	2/4
Councillor Storey	✓	✓	✓	✓	4/4
Councillor Wallace	x	✓	x	✓	2/4
Councillor Wilson	x	-	-	-	0/1
Councillor Wisener	✓	✓	✓	✓	4/4

The Chair of the Audit Committee is appointed at the first Annual General Meeting (AGM) of each new Council for the term of the Council. For the 2023/24 the chair of the Audit Committee is Councillor Ciaran McQuillan and vice chair for the Committee is Alderman John McAuley. During the year one political party had a reshuffle resulting in a change of membership to the Audit Committee.

### 3.0 Performance Evaluation

In accordance with best practice, the Audit Committee should benchmark its performance on a regular basis. For the 2023/24 the Audit Committee assessed its effectiveness against National Audit Office (NAO) checklist and a report was presented at Audit Committee held on the 20<sup>th</sup> September 2023.

An evening training event on the role of the Audit Committee was held on 7<sup>th</sup> September 2023 for Members of the Audit Committee and any additional Members interested in attending the training.

### 4.0 Terms of Reference and Audit Charter

The Audit Committee terms of reference were agreed at the 20<sup>th</sup> September 2023 Audit Committee and formally ratified at full Council on 3<sup>rd</sup> October 2023. The terms of reference for the will be reviewed on an annual basis to ensure completeness.

The Internal Audit Charter Review was presented at the Audit Committee on the 20<sup>th</sup> September 2023 and formally ratified at full Council on 3<sup>rd</sup> October 2023.

### 5.0 Audit Committee Meetings

The Audit Committee meetings require the attendance of the Chief Executive on an annual basis, for the 2023/2024 financial year Chief Executive attended the Audit Committee on the 13<sup>th</sup> March 2024. The Director of Corporate Services and the Internal Auditor(s) attends all Audit Committees. The Audit, Risk and Governance Manager who delivers part of the annual planned internal audit work for the Council, the Head of Finance, the NIAO and the Independent Member also usually attend. The programme of audit work undertaken for 2023/24 had been agreed by the Audit

Committee in the audit strategy for 2023/27 and is presented over the meetings during the year.

The Audit Committee may ask any other officials of the Council to attend to assist it with its discussions on any matter.

The Audit Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters; and

The Accounting Officer (Chief Executive) or Elected Members (Board) may ask the Audit Committee to convene further meetings to discuss issues on which they want the Audit Committee's advice.

## **6.0 Draft Financial Statements & Annual Governance Statement**

The draft Financial Statements including the Annual Governance Statement for the Council will be reviewed and approved for signing at a Special Council Committee meeting in June 2024.

## **7.0 Risk Management**

The Director of Corporate Services presents the quarterly corporate risk matrix and register to the Audit Committee.

## **8.0 Internal Audit**

Cavanagh Kelly were appointed to deliver the co-sourcing element of the annual internal audit work contracted out and provide the annual assurance rating for the Council in 2023/24. The Audit Risk and Governance Manager will deliver the second element of the planned internal audit work.

The Audit Committee at its meeting on 20<sup>th</sup> September reviewed and approved the Internal Audit plan for 2023/24.

The Committee will note the Internal Audit's Draft Assurance Report for 2023/24 at its meeting in June 2024. The Committee will also consider a comprehensive follow up report on the progress of the Implementation of Prior Year Internal Audit recommendations. The Audit committee will continue to emphasise the importance of the implementation of the recommendations to strengthen internal controls to ensure that they are implemented in a timely manner.

The Audit Committee will receive quarterly assurance statements from the Transformation Team that the recommendations contained within the Extraordinary audit report are being delivered in line with the prescribed timeframe.

## **9.0 External Audit**

The NIAO have yet to present their Annual Audit Strategy for the Year Ending 31 March 2024. It is anticipated that the Audit Strategy will be presented at the June 2024 Audit Committee. Within the strategy will highlight the significant areas of risk to Council.

The deadline for certifying local government bodies Accounts has been changed to 30 September and to ensure compliance with the Audit Committee certifying the accounts the Audit Committee will be scheduled for the third week in September to approve the financial accounts.

## **10.0 Conclusion**

The Audit Committee should note the work completed to date by Officers, Internal and External Auditors to ensure that the Council complies with their regulatory and statutory requirements, thereby allowing it to meet its objectives.

It is recommended that Committee approves the work plan (Appendix I) for the 2024/25 financial year.

It is recommended that Committee notes the dates (Appendix II) for the 2024/25 financial year.

## Appendix I: Audit Committee Work Plan

To assist the audit committee with its oversight responsibilities a suggested meeting work plan has been prepared.

Meeting Date	Agenda Items
June	<ul style="list-style-type: none"><li>• Draft Financial Statements Review</li><li>• Draft Annual Governance Statement Review</li><li>• Performance Improvement Audit Strategy</li><li>• Internal Audit Annual Assurance Report</li><li>• Audit Committee Performance Report</li></ul>
Sept	<ul style="list-style-type: none"><li>• NFI exercise and update report</li><li>• Recommend approval of Final Financial Statements</li><li>• Draft Report to those charged with Governance.</li></ul>
Dec	<ul style="list-style-type: none"><li>• Final Report to those charged with Governance.</li><li>• Annual audit letter for publishing</li><li>• S95 report Improvement audit and Assessment reports</li></ul>
March	<ul style="list-style-type: none"><li>• Review of Audit Committee Terms of Reference and Internal Audit Charter</li><li>• NFI update</li><li>• Performance update</li><li>• Internal Audit Annual Plan</li><li>• Audit Committee Self-assessment.</li></ul>

In addition, there are standing items on the audit agenda:

- Declarations of Interest
- Follow up actions from previous meetings.
- Follow up of internal audit recommendations.
- Routine internal audit reports
- Circulars/guidance
- Direct Award Contracts update
- Fraud/Whistleblowing

From the 1<sup>st</sup> November 2023 to the 31<sup>st</sup> October 2024 Audit Committee will receive quarterly assurance reports from the Extraordinary Audit Transformation team to ensure compliance with the CIPFA code.

## **Appendix II: Audit Committee Dates (2024-25)**

The schedule for audit committee dates for the 2024/25 financial year as approved at the Annual Meeting are as follows:

- Wednesday 12<sup>th</sup> June 2024 at 7pm
- Wednesday 18<sup>th</sup> September 2024 at 7pm
- Wednesday 11<sup>th</sup> December 2024 at 7pm and
- Wednesday 12<sup>th</sup> March 2025 at 7pm