



<u>Committee and Date</u>	<u>Item</u>
Audit Committee	
4 th March 2021	
1:30 pm	<u>Public</u>

REVIEW OF THE AUDIT COMMITTEE'S ANNUAL WORK PLAN AND FUTURE LEARNING AND DEVELOPMENT REQUIREMENTS 2021/22

Responsible Officer Ceri Pilawski
e-mail: ceri.pilawski@shropshire.go.uk

Tel: 01743 257739

1. Summary

It is important that Audit Committee Members have an agreed plan of work for the year ahead and receive appropriate learning and development to deliver their responsibilities effectively. This report provides a proposed Audit Committee work plan and seeks discussion and agreement around a learning and development plan for Members to ensure that they are well informed and appropriately skilled to fulfil their role.

Following elections early training focus will be around the role of Audit Committee and bringing new members up to speed on the Committee's demands of them. The Redmond review of 2020 has recommended a move back to September for the closure of accounts, legislation is awaited and the dates in this report reflect the refreshed timetable but allow for provisional Audit Committees if the legislation is late.

2. Recommendations

The Committee is asked to consider and approve, with appropriate comment:

- The Audit Committee work plan for 2021/22, **Appendix A**;
- A learning and development plan for Members of the committee taking in to account information in **Appendices A and B**.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1 By identifying the key topics to be considered at the Audit Committee meetings and receiving appropriate learning and development sessions in

respect of their roles and responsibilities, Audit Committee Members can undertake their duties effectively and deliver them to a high standard, thereby adding to:

- the robustness of the risk management framework;
- the adequacy of the internal control environment and
- the integrity of the financial reporting and annual governance of the Council.

- 3.2 The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998. There are no direct environmental, equalities or climate change requirements or consequences of this proposal.

4. Financial Implications

- 4.1 The Audit Committee work plan and learning and development sessions for members will be met from within approved budgets.

5 Climate Change Appraisal

- 5.1 This report does not directly make decisions on energy and fuel consumption; renewable energy generation; carbon offsetting or mitigation nor climate change adaption. Therefore, no effect.

6 Background

- 6.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) identifies the purpose of an Audit Committee, in its Practical Guidance for Local Authorities and Police 2018 Edition, as providing those charged with governance, independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes. In local authorities, audit committees are necessary to satisfy the wider requirements for sound financial and internal control. Accounts and Audit (England) Regulations 2015 state 'the relevant authority must ensure that it has a sound system of internal control which; facilitates the effective exercise of its functions and the achievement of its aims and objectives; ensures that the financial and operational management of the authority is effective; and includes effective arrangements for the management of risk'. With a known work plan, and appropriate and timely learning and development for Members, the committee will be well prepared and members will gain the knowledge and experience needed to carry out their role effectively.

Work Plan

- 6.2 The work plan in **Appendix A** continues to be presented in a format which demonstrates how reports to Audit Committee contribute to the delivery of the Committee's Terms of Reference and what assurances they provide.
- 6.3 There are no proposed changes to the regular reports for which member approval is sought. However, it is worth noting that there are two provisional Audit Committee dates arranged for 2021/22. They are;

- July; following the Redmond Review it is considered sensible to move audit completion of the Council's Statement of Accounts from July to the 30th September. In doing this the main reports can be taken in draft to the June Committee and as finals to the September Committee. This will be subject to the appropriate changes in legislation and therefore as a contingency a date for a July Committee is provisionally arranged.
- October; with the impact of COVID remaining unknown and the need last year for a later Committee meeting to receive the final accounts papers, a provisional date has been agreed as a contingency.

Both these dates can be cancelled nearer the time if not required and are identified with blue font in the attached **Appendix B**.

Learning and Development

- 6.4 CIPFA identify a key characteristic of an effective Audit Committee as having a membership that is balanced, objective, independent of mind, knowledgeable and properly trained to fulfil their role. There is a range of knowledge and experience that audit committee members can bring to the committee which will enable it to perform effectively. No one committee member is expected to be an expert in all areas. There are however some core areas of knowledge which committee members need to acquire in addition to the need for regular briefings and training.
- 6.5 Members need to consider annually their learning and development plan to support them in delivery of their roles. During 2020/21 Members have received three half day sessions covering several topics in detail; i.e.
- Virtual meetings - attendance at Committee's and training sessions on line
 - Capital Strategy and Programme
 - Consideration of the year end reports and the impact of COVID19;
 - CIPFA what should Audit Committee look at
 - Draft Annual Governance Statement (AGS)
 - Draft opinion
 - Draft Annual Assurance report to Council
 - Impact of COVID19 on the governance and internal control environment;
 - Response to COVID Business Continuity and Emergency Planning
 - Managing our staff during COVID
 - Impact on Finance and associated processes as a result of COVID
 - Impact on the Internal Audit focus
 - Continuing impact of COVID19 on governance and the internal control environment

Learning and documentation was also shared on:

- Financing of local authorities; NAO¹ Guide for audit and risk committees on financial reporting and management during COVID-19
- NAO Value for money approach
- Redmond Review and its implications
- The role of members in supporting the Head of Audit's annual opinion
- Lessons learnt from Northamptonshire's commissioned team
- CIPFA Better Governance Forum updates covering
 - Reviewing the Audit Plan

¹ National Audit Office

- Self-assessment and Improving Effectiveness
- Developing an Effective Annual Governance Statement
- Focus on Local Audit
- COVID-19 Pandemic – Key Issues for the Audit Committee
- Regular Briefing on New Developments

- 6.6 It is proposed that training is again provided in three half day sessions over the next twelve months. Sessions are planned for the 17th June, the 9th September 2021 and the 17th February 2022. In addition to this, following the Elections, there will be general training provided to all new members on the role of the Audit Committee and associated activities.
- 6.7 **Appendix B** identifies training topics for Audit Committee Members to consider. Topics are identified as core areas of knowledge that all Audit Committee Members should seek to acquire plus specialisms that can add value to the committee. Members may also want to hear from key officers of the Council where new or changing activities and risks are emerging and can request this as part of their training. It is proposed that initial training sessions consider the core areas of knowledge given that there may be new members following local elections.
- 6.8 Whilst members are asked to endorse the initial sessions for learning and development, this will not prevent any additional items being added during the year or changes being made if these are felt to be of value.

<p>List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)</p>
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<p>Previous training session records</p>
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<p>CIPFA's Audit Committees Practical Guidance for Local Authorities and Police 2018 Edition</p>
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<p>Accounts and Audit Regulations 2015</p>
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<p>Cabinet Member (Portfolio Holder) Peter Nutting (Leader of the Council) and Peter M Adams (Chairman of Audit Committee)</p>

<p>Local Member n/a</p>

<p>Appendices</p>

<p>Appendix A – Audit Committee Work Plan 2021/22 and Summary</p>
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<p>Appendix B – Audit Committee Members development topics</p>

Appendix A: Audit Committee Work Plan – 2021/22

Report	Assurances Required / Being Sought	Relevancy – Terms of Reference
Core business 24 June 2021		
1. Internal Audit: Annual Report.	<p>Head of Audit's overall opinion on the Council's internal control environment.</p> <p>Performance against the revised internal audit plan.</p> <p>Provides a review of the effectiveness of the systems of internal control.</p>	<p>To consider the Head of Audit's annual report, specifically:</p> <p>a) The statement of the level of conformance with the Public Sector Internal Audit Standards and Local Government Application Note and the results of the Quality Assurance and Improvement Programme that supports the statement – these will indicate the reliability of the conclusions of Internal Audit.</p> <p>b) The opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the committee in reviewing the Annual Governance Statement.</p>
2. Section 151 Officer: Statement of Accounts.	<p>Ensure that the narrative report to the accounts help the public understand the Council's financial management of public funds.</p> <p>Consider the outcome of the External Audit and the appropriateness of management responses.</p>	<p>To review 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 that need</p>

Appendix A: Audit Committee Work Plan – 2021/22

Report	Assurances Required / Being Sought	Relevancy – Terms of Reference
	Seek assurance that the Council has appropriate accounting policies in place to ensure that items are treated correctly in the accounts.	to be brought to the attention of the Council.
3. Section 151 Officer: Annual Governance Statement (AGS) and review of the effectiveness of the Council's internal controls and Shropshire Council's Code of Corporate Governance.	<p>Confirm that the final Annual Governance Statement accurately reflects the Committee's understanding of how the Council is run.</p> <p>Gain assurance that management have progressed the agreed actions associated with the significant issues / key risks identified in the Annual Governance Statement.</p> <p>That the Council has very strong compliance with the Code of Corporate Governance which is part of the overall internal control framework and contributes to the Council's strong governance arrangements.</p>	<p>To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, considering Internal Audit's opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.</p> <p>To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the Council.</p> <p>To review the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.</p>
4. Section 151 Officer: Annual review of internal audit: quality assurance and improvement programme (QAIP).	That Internal Audit complies with the Public Sector Internal Audit Standards and is effective in doing so.	To consider reports from the Head of Audit on Internal Audit's performance

Appendix A: Audit Committee Work Plan – 2021/22

Report	Assurances Required / Being Sought	Relevancy – Terms of Reference
	<p>That there is an improvement programme in place to ensure that any identified gaps are addressed.</p>	<p>during the year, these will include reports on:</p> <ul style="list-style-type: none"> the results of the Quality Assurance and Improvement Programme; and instances where the Internal Audit function does not conform to the Public Sector Internal Audit Standards and Local Government Application Note, considering whether the non-conformance should be included in the Annual Governance Statement. <p>To contribute to the Quality Assurance and Improvement Programme and in particular, to the external quality assessment of Internal Audit that takes place at least once every five years.</p>
<p>5. Internal audit: Annual assurance report of Audit Committee to Council.</p>	<p>Provide assurance that the Committee has adequately discharged its terms of reference and has positively contributed to how well the Council is run.</p> <p>Provides Council with an independent assurance report that the Council has in place adequate and effective risk management and internal control</p>	<p>To report annually to Full Council on the Committee's findings, conclusions and recommendations; providing its opinion on the adequacy and effectiveness of the Council's governance, risk management and internal control frameworks; internal and external audit</p>

Appendix A: Audit Committee Work Plan – 2021/22

Report	Assurances Required / Being Sought	Relevancy – Terms of Reference
	<p>systems that can be relied upon and which contribute to the high corporate governance standards that this Council expects and has consistently maintained.</p>	<p>functions and financial reporting arrangements.</p> <p>To report to Council where the Audit Committee have added value, improved or promoted the control environment and performance in relation to the Terms of Reference and the effectiveness of the Committee in meeting its purpose and functions.</p>
<p>6. Section 151 Officer: Financial Outturn report.</p>	<p>Provides the financial outturn of the Council's revenue budget for the year and therefore considers the effect that any over/underspend has on the Council's balances.</p> <p>Provides details of the potential risks affecting the balances and financial health of the Council.</p> <p>Provides the financial outturn of the Council's capital budget for the year and therefore considers the impact that slippage within the programme will have on the financing of the capital programme in the future, including any future revenue implications.</p>	<p>To review 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 that need to be brought to the attention of the Council.</p> <p>To consider the Council's arrangements for securing value for money and review assurances and assessments on the effectiveness of these arrangements.</p>

Appendix A: Audit Committee Work Plan – 2021/22

Report	Assurances Required / Being Sought	Relevancy – Terms of Reference
7. Head of Workforce and Organisational Development: Annual Whistleblowing report.	Assurance that as part of the Counter Fraud, Bribery and Anti-Corruption Strategy the Whistleblowing policy contributes to our zero tolerance of fraud, bribery and corruption.	To review the assessment of fraud risks and potential harm to the Council from fraud, bribery and corruption.
8. External Audit: Fee Letter.	To provide a clear indication as to the External Auditor's fees for the year.	To consider the External Auditor's annual letter, relevant reports, and the report to those charged with governance.
9. External Audit: Audit progress report and sector update.	<p>Seek assurance over progress and delivery of the external audit plan and that any risks to successful production of the financial statements and audit are being managed.</p> <p>The paper also includes:</p> <ul style="list-style-type: none"> •a summary of emerging national issues and developments that may be relevant to the Council; and •several challenge questions in respect of these emerging issues which the Committee may wish to consider. 	<p>To consider specific reports as agreed with the External Auditor and other inspection agencies.</p> <p>To comment on the scope and depth of external audit work and to ensure it gives value for money.</p>
10. Internal Audit: Fraud, investigations and RIPA update.	Provide assurances and an update on current fraud and investigations undertaken by Internal Audit and the impact these have on the internal control environment together with an update on	To review the assessment of fraud risks and potential harm to the Council from fraud, bribery and corruption.

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Report	Assurances Required / Being Sought	Relevancy – Terms of Reference
	activity under the Regulation of Investigatory Powers Act (RIPA).	To monitor the counter-fraud, bribery and corruption strategy, actions and resources.
Other assurance		
11. External Audit: Pension Fund Audit Plan (information).	Evidence that the External Auditor understands the Council's business, risk, challenges and opportunities it is facing. Explanation of its audit approach and the scope of its plans for the Pension Fund.	To consider specific reports as agreed with the External Auditor and other inspection agencies.
12. Executive Director of Place and Enterprise – Highways update	Evidence that the service area is improving the control environment in respect of Highways Maintenance activity.	To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the Council.
Core business: 16 September 2021		
13. External Audit: Audit Findings report Shropshire Council	Seek assurance over the adequacy of the External Audit opinion on the financial statements and the Council's value for money arrangements. Ensure any issues / risks identified are being effectively managed.	To consider the External Auditor's report to those charged with governance on issues arising from the audit of the accounts.
14. Final Statement of Accounts	Approve the final audited outturn position for the financial year and details of any amendments	To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies

Appendix A: Audit Committee Work Plan – 2021/22

Report	Assurances Required / Being Sought	Relevancy – Terms of Reference
	<p>made to the Draft Statement of Accounts during the audit process.</p> <p>Where a meeting is held before the 31st July, to agree that the Interim Executive Director of Resources (s151 Officer) be authorised to make any minor adjustments to the Statement of Accounts prior to the 31st July.</p> <p>Agree that the Interim Executive Director of Resources (s151 Officer) and the Chairman of the Audit Committee sign the letter of representation in relation to the financial statements on behalf of the Council and send to the External Auditor.</p>	<p>have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.</p>
<p>15. Risk and Insurance Manager: Risk Annual report incorporating strategic risks.</p>	<p>To understand the current strategic risk exposure together with recent modifications and planned changes to strategic risk management within the Council.</p> <p>Gain assurance that the Council is effectively managing its key risks – has good risk management systems / processes in place that enable decision makers to understand the level of risk being taken and the Council is prepared to accept.</p>	<p>To monitor the effective development and operation of risk management in the Council.</p>

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Report	Assurances Required / Being Sought	Relevancy – Terms of Reference
16. Section 151 Officer; Annual Treasury report.	Provide assurance on the treasury activities for Shropshire Council, including the investment performance of the internal Treasury team.	<p>To receive regular reports on activities, issues and trends to support the Committee's understanding of treasury management activities. The Committee is not responsible for the regular monitoring of treasury management activity.</p> <p>To review the treasury risk profile and adequacy of treasury risk management procedures and assurances on treasury management.</p>
17. Internal Audit: Performance report and revised Annual Audit Plan.	<p>Understand the level of assurances being given because of audit work and their impact on the Council's governance, risk and control environment.</p> <p>Ensure management action is taken to improve controls / manage risks identified.</p> <p>Encouraging ownership of the internal control framework by appropriate managers.</p> <p>Confirm appropriate progress being made on the delivery of the audit plan and performance targets.</p>	<p>To consider reports from the Head of Audit on Internal Audit's performance during the year, including the performance of external providers of Internal Audit Services. These will include updates on the work of Internal Audit including key findings, issues of concern and action in hand as a result of Internal Audit work.</p> <p>To consider summaries of specific internal audit reports as requested.</p>

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Report	Assurances Required / Being Sought	Relevancy – Terms of Reference
	<p>Understand any resourcing issues because of changes to the plan.</p>	<p>To receive reports outlining the action taken where the Head of Audit has concluded that management has accepted a level of risk that may be unacceptable to the Council or there are concerns about progress with the implementation of agreed actions.</p> <p>To approve significant interim changes to the risk based internal audit plan and resource requirements.</p>
<p>18. External Audit: Audit progress report and sector update.</p>	<p>Seek assurance over progress and delivery of the external audit plan and that any risks to successful production of the financial statements and audit are being managed.</p> <p>The paper also includes:</p> <ul style="list-style-type: none"> •a summary of emerging national issues and developments that may be relevant to the Council; and •a number of challenge questions in respect of these emerging issues which the Committee may wish to consider. 	<p>To consider specific reports as agreed with the External Auditor and other inspection agencies.</p> <p>To comment on the scope and depth of external audit work and to ensure it gives value for money.</p>

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Report	Assurances Required / Being Sought	Relevancy – Terms of Reference
19. External Audit: Annual Audit Letter.	Provides assurances on the key findings arising from the work that External Audit have carried out at the Council.	To consider the External Auditor's annual letter, relevant reports, and the report to those charged with governance.
20. Internal Audit: Fraud, special investigations and RIPA update.	Provide assurances and an update on current fraud and special investigations undertaken by Internal Audit and the impact these have on the internal control environment together with an update on current Regulation of Investigatory Powers Act (RIPA) activity.	To review the assessment of fraud risks and potential harm to the Council from fraud, bribery and corruption. To monitor the counter-fraud, bribery and corruption strategy, actions and resources.
Other assurance		
21. External Audit: Audit Findings report Shropshire County Pension Fund (information).	Seek assurance over the adequacy of the External Audit opinion on the financial statements and the Council's value for money arrangements. Ensure any issues / risks identified are being effectively managed.	To consider the External Auditor's report to those charged with governance on issues arising from the audit of the accounts.
Core business: 9 December 2021		
22. Internal Audit: Annual review of Audit Committee Terms of Reference.	Ensures the Audit Committees continues to benefit the Council by continuing to provide an effective service assessed against current best practice.	To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the Council.

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Report	Assurances Required / Being Sought	Relevancy – Terms of Reference
23. Internal Audit: Annual review of Internal Audit Charter.	Assurance that effective corporate governance arrangements are maintained in the Council, part of which is evidenced by a current Internal Audit Charter.	To approve the Internal Audit Charter.
24. Internal Audit: Annual review of Counter Fraud, Bribery and Anti-Corruption Strategy and activities; including an update on the National Fraud Initiative (NFI).	<p>Confirm that the Council's counter fraud activity is targeted and effective.</p> <p>Ensure that appropriate progress is being made on the delivery of the Counter Fraud plan.</p> <p>Ensure that lessons have been learnt – understand fraud risks facing the Council and actions being taken to reduce the risk</p> <p>Provides confirmation that the Counter Fraud, Bribery and Anti-Corruption Strategy has been reviewed in line with best practice and continues to underpin the Council's commitment to prevent all forms of fraud, bribery and corruption whether it be attempted on, or from within, the Council, thus demonstrating the strategy's continuing and important role in the corporate governance and internal control framework.</p>	To monitor the counter-fraud, bribery and corruption strategy, actions and resources.

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Report	Assurances Required / Being Sought	Relevancy – Terms of Reference
	Provides an update and assurances on the outcomes of the National Fraud Initiative.	
25. Internal Audit: Performance report and revised Annual Audit Plan.	<p>Understand the level of assurances being given because of audit work and their impact on the Council's governance, risk and control environment.</p> <p>Ensure management action is taken to improve controls / manage risks identified.</p> <p>Encouraging ownership of the internal control framework by appropriate managers.</p> <p>Confirm appropriate progress being made on the delivery of the audit plan and performance targets.</p> <p>Understand any resourcing issues because of changes to the plan.</p>	<p>To consider reports from the Head of Audit on Internal Audit's performance during the year, including the performance of external providers of Internal Audit Services. These will include updates on the work of Internal Audit including key findings, issues of concern and action in hand as a result of Internal Audit work.</p> <p>To consider summaries of specific internal audit reports as requested.</p> <p>To receive reports outlining the action taken where the Head of Audit has concluded that management has accepted a level of risk that may be unacceptable to the Council or there are concerns about progress with the implementation of agreed actions.</p> <p>To approve significant interim changes to the risk based internal audit plan and resource requirements.</p>

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Report	Assurances Required / Being Sought	Relevancy – Terms of Reference
26. Section 151 Officer: Treasury Strategy Mid-Year report.	Provide assurance on the treasury activities for Shropshire Council, including the investment performance of the internal Treasury team.	<p>To receive regular reports on activities, issues and trends to support the Committee's understanding of treasury management activities. The Committee is not responsible for the regular monitoring of treasury management activity.</p> <p>To review the treasury risk profile and adequacy of treasury risk management procedures and assurances on treasury management.</p>
27. Section 151 Officer: Annual Audit Committee self-assessment.	Confirmation that the Audit Committee is working effectively and where any further improvements are identified to improve its overall effectiveness, there are plans to implement these.	To review the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.
28. External Audit: Audit progress report and sector update.	<p>Seek assurance over progress and delivery of the external audit plan and that any risks to successful production of the financial statements and audit are being managed.</p> <p>The paper also includes:</p>	<p>To consider specific reports as agreed with the External Auditor and other inspection agencies.</p> <p>To comment on the scope and depth of external audit work and to ensure it gives value for money.</p>

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Report	Assurances Required / Being Sought	Relevancy – Terms of Reference
	<ul style="list-style-type: none"> •a summary of emerging national issues and developments that may be relevant to the Council; and •a number of challenge questions in respect of these emerging issues which the Committee may wish to consider. 	
29. External Audit: Certification Summary report.	Seek assurances that claims and returns have been managed appropriately and that there are no significant errors that would result in loss of funding.	To consider the External Auditor's annual letter, relevant reports, and the report to those charged with governance.
30. Internal Audit: Fraud, special investigations and RIPA update.	Provide assurances and an update on current fraud and special investigations undertaken by Internal Audit and the impact these have on the internal control environment together with an update on current Regulation of Investigatory Powers Act (RIPA) activity.	To review the assessment of fraud risks and potential harm to the Council from fraud, bribery and corruption. To monitor the counter-fraud, bribery and corruption strategy, actions and resources.
Other assurance		
31. None planned.		
Core business: 22 February 2022		

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Report	Assurances Required / Being Sought	Relevancy – Terms of Reference
32. Risk and Insurance Manager: Strategic Risks update.	<p>Assurances that the management of strategic risks which is a key process that underpins the successful achievement of the Council's priorities and outcomes is robust. Strategic risks are a key aspect of the Annual Governance Statement.</p> <p>Provide information to confirm to the Audit Committee that they are receiving assurances on the key risk areas within the Council and how these are being managed through the internal controls and governance processes.</p>	To monitor the effective development and operation of risk management in the Council.
33. Section 151 Officer: Treasury Strategy.	Provides assurances that the Council's Treasury Management practice complies with CIPFA's Code of Practice on Treasury Management, the Council's Treasury Policy Statement, Treasury Management Practices and the Prudential Code for Capital Finance and together with the rigorous internal controls will enable the Council to manage the risk associated with Treasury Management activities and reduce any potential for financial loss.	To consider the robustness of the Council's treasury management strategy, policies and procedures before their submission to Cabinet and Full Council, ensuring that controls are satisfactory.
34. Internal Audit: Report of the audit review of Risk Management.	Provides independent assurance on the overall control environment for the Risk Management system that the Council is effectively managing its key risks – has good risk management systems /	To monitor the effective development and operation of risk management in the Council.

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Report	Assurances Required / Being Sought	Relevancy – Terms of Reference
	processes in place that enable decision makers to understand the level of risk being taken and the Council is prepared to accept.	
35. Internal Audit: Performance report and revised Annual Audit Plan.	<p>Understand the level of assurances being given because of audit work and their impact on the Council's governance, risk and control environment.</p> <p>Ensure management action is taken to improve controls / manage risks identified.</p> <p>Encouraging ownership of the internal control framework by appropriate managers.</p> <p>Confirm appropriate progress being made on the delivery of the audit plan and performance targets.</p> <p>Understand any resourcing issues because of changes to the plan.</p>	<p>To consider reports from the Head of Audit on Internal Audit's performance during the year, including the performance of external providers of Internal Audit Services. These will include updates on the work of Internal Audit including key findings, issues of concern and action in hand as a result of Internal Audit work.</p> <p>To consider summaries of specific internal audit reports as requested.</p> <p>To receive reports outlining the action taken where the Head of Audit has concluded that management has accepted a level of risk that may be unacceptable to the Council or there are concerns about progress with the implementation of agreed actions.</p>

Appendix A: Audit Committee Work Plan – 2021/22

Report	Assurances Required / Being Sought	Relevancy – Terms of Reference
		To approve significant interim changes to the risk based internal audit plan and resource requirements.
36. Internal Audit: Draft Annual Internal Audit risk based plan.	<p>That the Internal Audit Plan focuses on the key risks facing the Council and is adequate to support the Head of Audit opinion.</p> <p>Confirm that the plan achieves a balance between setting out the planned work for the year and retaining flexibility to changing risks and priorities during the year.</p> <p>Ensure that the Internal Audit Resource has sufficiently capacity and capability to deliver the plan.</p> <p>Seek an understanding of what assurances Internal Audit will be providing the Committee to help it discharge its terms of reference.</p> <p>Gain assurance that the Council has effective arrangements in place to fight fraud locally and that counter fraud resources are targeted to the Council's key fraud risks.</p>	<p>To approve, but not direct, the risk-based internal audit plan, including internal audit resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.</p> <p>To make appropriate enquiries of both management and the Head of Audit to determine if there are any inappropriate scope or resource limitations.</p>

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Report	Assurances Required / Being Sought	Relevancy – Terms of Reference
37. Internal Audit: Draft Audit Committee annual work plan and future training requirements.	Assurance that the agreed plan of work for the year ahead will deliver against the terms of reference of the Audit Committee and that Members will receive appropriate learning and development in order to deliver their responsibilities effectively.	To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the Council.
38. Internal Audit: Fraud, special investigations and RIPA update.	Provide assurances and an update on current fraud and special investigations undertaken by Internal Audit and the impact these have on the internal control environment together with an update on current Regulation of Investigatory Powers Act (RIPA) activity.	To review the assessment of fraud risks and potential harm to the Council from fraud, bribery and corruption. To monitor the counter-fraud, bribery and corruption strategy, actions and resources.
39. External Audit: Annual Plan.	Evidence that the External Auditor understands the Council's business, risk, challenges and opportunities it is facing. Explanation of its audit approach and the scope of its plans.	To comment on the scope and depth of external audit work and to ensure it gives value for money.
40. External Audit: Informing the risk assessment.	As part of External Audit's risk assessment procedures, they obtain an understanding of management processes and the Audit Committee's oversight of the following areas: <ul style="list-style-type: none"> • Fraud • Laws and regulations • Going concern • Related party transactions 	To comment on the scope and depth of external audit work and to ensure it gives value for money.

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Report	Assurances Required / Being Sought	Relevancy – Terms of Reference
	<ul style="list-style-type: none"> Accounting estimates <p>This report includes a series of questions on each of these areas and the response we have received from the Council's management for Audit Committee to consider whether the responses are consistent with the its understanding and whether there are any further comments it wishes to make.</p>	
41. External Audit: Audit progress report and sector update.	<p>Seek assurance over progress and delivery of the external audit plan and that any risks to successful production of the financial statements and audit are being managed.</p> <p>The paper also includes:</p> <ul style="list-style-type: none"> a summary of emerging national issues and developments that may be relevant to the Council; and several challenge questions in respect of these emerging issues which the Committee may wish to consider. 	<p>To consider specific reports as agreed with the External Auditor and other inspection agencies.</p> <p>To comment on the scope and depth of external audit work and to ensure it gives value for money.</p>
Other assurance		
42. None planned		

APPENDIX A

Audit Committee Work Plan 2021/22 Summary

Audit Committee Work Plan 2021/22	17 ² June 2021	24 June 2021	30 July 2021	9 Sept 2021	16 Sept 2021	28 Oct 2021	9 Dec 2021	17 Feb 2022	22 Feb 2022	Report originator
<u>Provisional Committees</u>										
<u>Audit Findings Report Shropshire Council as part of faster closedown processes</u>			<u>N/A</u>		✓	<u>N/A</u>				<u>External Audit</u>
<u>Final approval - Statement of Accounts</u>			<u>N/A</u>		✓	<u>N/A</u>				<u>Section 151 Officer</u>
Training Sessions	✓			✓				✓		
Regular Committees										
Internal Audit Annual Report		✓								Internal Audit
Statement of Accounts - draft		✓								Section 151 Officer
Annual Governance Statement (AGS) and review of the effectiveness of the Council's internal controls and Shropshire Council's Code of Corporate Governance.		✓								Section 151 Officer
Annual review of Internal Audit: Quality Assurance and Improvement Programme (QAIP)		✓								Section 151 Officer
Annual Assurance Report of Audit Committee to Council		✓								Internal Audit
Financial Outturn Report		✓								Section 151 Officer
Annual Whistleblowing report		✓								Head of Workforce and

² From 2:30 – others from 1:30

Audit Committee Work Plan 2021/22	17 ² June 2021	24 June 2021	30 July 2021	9 Sept 2021	16 Sept 2021	28 Oct 2021	9 Dec 2021	17 Feb 2022	22 Feb 2022	Report originator
										Organisational Development
Audit Fee Letter		✓								External Audit
Audit Progress Report and Sector Update		✓			✓		✓		✓	External Audit
Fraud, special investigations and RIPA Updates (part 2)		✓			✓		✓		✓	Internal Audit
Pension Fund Audit Plan (information)		✓								External Audit
Risk Annual Report incorporating Strategic Risks					✓					Risk and Insurance Manager
Strategic Risks update									✓	Risk and Insurance Manager
Annual Treasury Report					✓					Section 151 Officer
Performance Report and revised Annual Audit Plan					✓		✓		✓	Internal Audit
Audit Findings: Shropshire County Pension Fund (Information)					✓					External Audit
Annual review of Audit Committee Terms of Reference							✓			Internal Audit
Annual review of Internal Audit Charter							✓			Internal Audit
Annual review of Counter Fraud, Bribery and Anti-Corruption Strategy and activities; including an update on the National Fraud Initiative (NFI)							✓			Internal Audit
Treasury Strategy Mid-Year Report							✓			Section 151 Officer
Annual Audit Committee Self-Assessment							✓			Section 151 Officer

Audit Committee Work Plan 2021/22	17 ² June 2021	24 June 2021	30 July 2021	9 Sept 2021	16 Sept 2021	28 Oct 2021	9 Dec 2021	17 Feb 2022	22 Feb 2022	Report originator
Annual Audit Letter					✓					External Audit
Treasury Strategy									✓	Section 151 Officer
Report of the Audit Review of Risk Management									✓	Internal Audit
Draft Annual Internal Audit Risk Based Plan									✓	Internal Audit
Draft Audit Committee annual work plan and future training requirements									✓	Internal Audit
Audit Plan									✓	External Audit
Certification Summary Report							✓			External Audit
Informing the risk assessment									✓	External Audit

Key to table

Committee dates - fixed

Committee dates – provisional (left as a contingency if legislation is not passed in time to move closing of accounts back to September).

Training dates

Appendix B

Audit Committee Members development topics

Core areas of knowledge

Organisational knowledge
Audit committee role and function
Governance
Internal audit
Financial management and accounting
External audit
Risk management
Counter fraud, bribery, corruption and whistleblowing
Values of good governance
Treasury management

Specialist knowledge that adds value to the Audit Committee

Accountancy
Internal audit
Risk management
Governance and legal
Service knowledge relevant to the different Council functions
Programme and project management
IT systems and IT governance

Core skills

Strategic thinking and understanding of materiality
Questioning and constructive challenge
Focus on improvement
Able to balance practicality against theory
Clear communication skills and focus on the needs of users
Objectivity
Meeting management skills