

AUDIT COMMITTEE ANNUAL REPORT 2021/22

Report of the Chair of the Audit Committee

1. SUMMARY OF REPORT

This report sets out the Audit Committee's activities in connection with the financial year 2021/22.

2. RECOMMENDATION

- 2.1 To note the report of the Chair of Audit Committee on the activity of the Audit Committee.

3. MATTER FOR CONSIDERATION

Background

- 3.1 The Audit Committee held three meetings during 2021/22, plus further meetings in June and October 2022.

Activities

3.2 Internal Controls Assurance

The Audit Committee and management have continued the approach to the internal audit plan this year of targeting areas considered to be of higher risk.

Our Internal Auditors – Central Midlands Audit Partnership (CMAP) reported to the Audit Committee on 27 June 2022 in their "Internal Audit Report 2021/22" that during the year there was "a Satisfactory System of Governance, Risk and Internal Control".

CMAP completed 12 reports in 2021/22, 8 from the 2021/22 plan plus 4 carried forward from 2020/21. Just one report (on Statutory Compliance) received a "Limited Assurance" rating, with all other reports either a "substantial" or "reasonable" assurance rating. There were 7 audits that were still in progress from 2021/22 at the time of their report.

3.3 Risk Management

The Audit Committee considered and reviewed the company's Strategic and Operational Risk Registers for 2022/23 at its meeting in March 2022, feeding comments through to the Board for its consideration as part of the approval process.

3.4 Monitoring Financial Integrity

The core work of the Committee is to maintain checks on the financial integrity of the Company, scrutinising the accounts and ensuring that audit recommendations are followed through by management of the company. In particular:

- Recommending to the Board the approval to appoint new External Auditors (June 2022)
- approving the internal audit plan for 2022/23 (in March 2022)
- receiving and evaluating the external audit management letters for 2021/22 (in Oct 2022)
- reporting to the Board on the 2021/22 financial statements and providing additional support and reassurance to Board Members enabling them to adopt the accounts for 2021/22
- overseeing the implementation of a process supporting the production of a Statement of Internal Control for inclusion in the Annual Report of the Board of Directors, Auditor's Report to Members and Financial Statements for the year ended 31 March 2022.

3.5 Monitoring and Reviewing Internal Financial Control

The Committee has done this by:

- scrutinising internal audit reports and questioning responsible officers at Committee meetings
- holding Executive officers accountable and probing potential areas of weakness.

3.6 I would like to record my appreciation and thanks for the time and effort Committee members have given to the important role of the Committee.

3.7 I would also like to record my thanks to the officers from Derby Homes, Central Midlands Audit Partnership, and our new external auditors - Crowe UK LLP who have attended and supported the work of the Committee.

4. **FINANCIAL AND BUSINESS PLAN IMPLICATIONS**

The Derby Homes Scheme of Delegation undertakes to provide the Committee with sufficient resources to undertake its duties. The cost of this is contained within the operating budget.

The areas listed below have no implications directly arising from this report

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|-----------------------------|--------------------------------|
| • Legal and Confidentiality | • Equalities Impact Assessment |
| • Consultation | • Health & Safety |
| • Personnel | • Risk |
| • Environmental | Policy Review |

If Board members or others would like to discuss this report ahead of the meeting please contact:

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Background Information: None

Supporting Information: None