

## **AUDIT COMMITTEE ANNUAL REPORT 2018/19**

Report of the Chair of the Audit Committee

### **1. SUMMARY OF REPORT**

This report sets out the Audit Committee's activities during the past 12 months in connection with the financial year 2018/19.

### **2. RECOMMENDATION**

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 meetings on three occasions throughout the year in March, July and October.

#### **Activities**

- 3.2 The Audit Committee and management have continued the approach to the internal audit plan this year of asking to consider areas that were thought to be higher risk. Despite this, the 12 reports in the 2018/19 plan were all either Comprehensive (3) or Reasonable (9) levels of assurance. As at the Committee's October meeting there was a total of 43 recommendations still to be implemented of which none were critical or significant and only 12 moderate with the remainder low risk. No recommendations were beyond target dates.
- 3.3 The Committee considered and approved the Annual Fraud Plan, and approved the annual statement that it is satisfied that the approach to fraud is appropriate.
- 3.4 It also considered and reviewed the company's Strategic and Operational Risk Registers for 2019/20 at its meeting in March 2019, and fed comments through to the Board for its consideration as part of the approval process.

#### **Monitoring Financial Integrity**

- 3.5 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:
- approving the external audit strategy for 2019/20

- approving the internal audit plan for 2019/20
- receiving and evaluating the external audit management letters following the interim and final audit for 2018/19
- reporting to the Board on the 2018/19 accounts and providing additional support and reassurance to Board Members enabling them to adopt the accounts for 2018/19
- 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 2019.

### **Monitoring and Reviewing Internal Financial Control**

3.6 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.

3.7 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.

3.8 I would also like to record my thanks to the officers from Derby Homes, Central Midlands Audit Partnership and BDO LLP who attend and support 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**

- |                             |                                |
|-----------------------------|--------------------------------|
| • 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