

AUDIT COMMITTEE ANNUAL REPORT 2020/21

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 2020/21.

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 four meetings during 2020/21 including an additional one in March 2021.

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 28 June 2021 in their "Internal Audit Report 2020/21" that during the year there was "a Satisfactory System of Governance, Risk and Internal Control".

CMAP completed 5 reports in 2020/21 (with either a "substantial" or "reasonable" assurance rating) and had 3 audits that were still in progress from 2020/21 at the time of their report. Additionally, CMAP completed 2 specific reports on a consultancy basis (on Gas Safety and Data Recovery).

The report on Gas Safety was considered in detail at a specific Audit Committee held in March 2021.

CMAP reported that there was no material disruption to their service to Derby Homes from COVID.

3.3 Risk Management

The Audit Committee considered and reviewed the Company's Strategic and Operational Risk Registers for 2021/22 at its meeting in February 2021, 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:

- approving the external audit strategy for the 2020/21 financial statements (in February 2021)
- approving the internal audit plan for 2021/22 (in February 2021)
- receiving and evaluating the external audit management letters following the interim and final audit for 2020/21 (in June 2021)
- reporting to the Board on the 2020/21 financial statements and providing additional support and reassurance to Board Members enabling them to adopt the accounts for 2020/21
- 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 2021.

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 external auditors - 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
- Consultation
- Personnel
- Environmental
- Equalities Impact Assessment
- Health & Safety
- Risk
- 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