

AUDIT COMMITTEE ANNUAL REPORT 2019/20

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 2019/20.

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 in March and June 2020.

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. 13 reports were completed during 2019/20, and all but one were either Comprehensive or Reasonable assurance. The exception was for Management of Empty Council homes, where there were 5 moderate risks identified which have all been addressed. In total 52 recommendations were made of which none were a critical or significant risk and only 14 were moderate including the 5 mentioned above, with the remainder low risk. A full report was considered at the Committee in June.
- 3.3 It also considered and reviewed the company's Strategic and Operational Risk Registers for 2020/21 at its meeting in March 2020, and fed comments through to the Board for its consideration as part of the approval process.

Monitoring Financial Integrity

- 3.4 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 2020/21
 - approving the internal audit plan for 2020/21

- receiving and evaluating the external audit management letters following the interim and final audit for 2019/20
- reporting to the Board on the 2019/20 accounts and providing additional support and reassurance to Board Members enabling them to adopt the accounts for 2019/20
- 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 2020.

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

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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