

AUDIT COMMITTEE ANNUAL REPORT 2012/13

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 2012/13.

2. RECOMMENDATION

To note the report and accept it as compliance with Derby Homes Scheme of Delegation in respect of:

1. the Chair of Audit Committee making an annual presentation to the Board on the Committee's activities
2. the Chair of Audit Committee's presence at the Annual General Meeting to answer questions through the Chair of the Board.

3. MATTER FOR CONSIDERATION

3.1 Background

The Audit Committee has met throughout the year. It held meetings on three occasions throughout the year in January, April, and July 2013.

3.2 Activities

- 3.2.1 Following the success last year of reducing significantly the backlog of audit recommendations, this year has seen the Committee continue to keep on top of recommendations as they arise.
- 3.2.2 The Committee has scrutinised each internal audit report and considered the proposed responses of Derby Homes to each issue raised.
- 3.2.3 The Committee has received 7 such reports from internal audit during those three meetings, none of which were identified as resulting in a significant risk.
- 3.2.4 The Committee recommended to the Board that we should take up an offer to become Members of the Central Midlands Audit Partnership which consists of Derby City Council and South Derbyshire District Council. This was accepted and discussions continue with CMAP on how this will work in practice. In the meantime, agreement has been reached on a suitable audit programme and the budget agreed at the same overall sum.

3.3 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 2012/13
- approving the internal audit plan for 2012/13
- receiving and evaluating the external audit management letters following the interim and final audit for 2012/13
- reporting to the Board on the 2012/13 accounts and providing additional support and reassurance to Board Members enabling them to adopt the accounts for 2012/13
- 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 2013.

3.4 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.

3.5 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, which has seen some significant changes in membership this year.

3.6 I would also like to record my thanks to the officers from Derby Homes, Derby City Council (Central Midlands Audit Partnership) and BDO LLP who attend and support the work of the Committee.

4. CONSULTATION IMPLICATIONS

The Chair of Audit Committee will be available to answer questions through the Chair of the Board at the Annual General Meeting.

5. 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 will be contained within the operating budget.

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

- Legal and Confidentiality
- 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 the author.

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Background Information: None.

Supporting Information: None.

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