



**BARNSLEY METROPOLITAN BOROUGH  
COUNCIL**

**AUDIT  
COMMITTEE**

**ANNUAL REPORT 2012/13**

**Chairman - Councillor J. Hayward  
Vice Chairman - F. Johnston Esq.**

**July 2013**

## **FOREWORD BY THE CHAIR OF THE AUDIT COMMITTEE**

I am pleased to present this annual report which shows how again the Audit Committee has successfully fulfilled its terms of reference and contributed towards the improvement in the Council's governance and control arrangements.

The Committee continues to be top rate and our Audit Committee arrangements, especially with the inclusion of a majority of co-opted members, is a clear demonstration of the Authority's commitment to transparency and challenge. The contribution of our co-opted members is significant and gives our work real strength and I thank them once again for their commitment, expertise and enthusiasm during the year.

The role of the Committee is important in the democratic and governance arrangements of the Authority to provide independent assurance to the Council that its systems and controls to secure good and effective stewardship of resources are working and I am confident that the Committee is very well placed to continue to do that during 2013/14.

I hope this report is of interest, highlighting the activities of the Committee during 2012/13.

I wish Councillor Tom Sheard every success as the new Chairman of the Committee as I move on to new challenges after many enjoyable years. My thanks go to all the current and previous members of the Committee for making the success it has been.

***Councillor Joe Hayward  
Chair, Audit Committee  
July 2013***

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## INTRODUCTION

This is the annual report of Barnsley MBC's Audit Committee. It is prepared in accordance with best practice and shows that the Council is committed to working as an exemplar organisation in operating the highest standards of governance.

This report shows how the Audit Committee has successfully fulfilled its terms of reference and has improved the Council's governance and control environments.

The report will be presented to the full Council and be published on the Council's website for information and a demonstration of the Council's commitment to operate an effective audit committee.

## SOME KEY INFORMATION

### Audit Committee Membership

The Audit Committee has 9 Members. During 2012/13 the membership was:

Councillor Joe Hayward - Chairman  
Councillor Donna Green  
Councillor Robert Barnard  
Councillor Brian Key

Mr. Frank Johnston (Co-opted Member) - Vice Chairman  
Mr. Melvyn Lunn (Co-opted Member)  
Mr. Gary Ellis (Co-opted Member)  
Mr. Michael Marks (Co-opted Member)  
Ms. Diane Brown (Co-opted Member) (from September 2012)

Councillor Sheard stepped down as a member of the Committee at the annual Council meeting and was replaced for the new municipal year by Councillor Green. In welcoming Councillor Green we thanked Councillor Sheard for his input and support for the Committee.

Diane Brown was appointed as a co-opted member from September 2012.

The officer support to the Audit Committee has continued, through the regular attendance of the Assistant Chief Executive Legal & Governance and Assistant Chief Executive Finance, Property & Information Services. The Committee is supported by the Assistant Director of Finance (Audit & Risk Management).

### Meetings and attendance

The Audit Committee had 6 meetings for the year. Attendance overall has been good. The table below shows the attendance of the members of the Committee during the year.

Audit Committee Member	Possible Meetings	Meetings Attended
Councillor Joe Hayward (Chair)	6	6
Councillor Brian Key	6	2
Councillor Donna Green	6	6
Councillor Robert Barnard	6	6
Mr. Frank Johnston (Vice-Chair)	6	6
Mr. Melvyn Lunn	6	6
Mr. Gary Ellis	6	5
Mr. Michael Marks	6	6
Ms Diane Brown	4	4

Total Possible Attendances	52
Total Actual Attendances	47
Percentage Attendance	90%

This level of attendance was higher than that in 2011/12 (79%) and members of the Committee should be thanked and commended for their continued commitment to the work of the Committee.

### Key features of the Audit Committee and its operation

During the year the Audit Committee has reviewed its terms of reference and general compliance against CIPFA's best practice guidance. We compare very favourably meeting all major aspects of the best practice guidelines. Of particular strength is the inclusion of co-opted (non-elected) members.

### CORE ACTIVITY 2012/13

#### Terms of Reference

The Audit Committee's current terms of reference cover a number of areas. These have been reviewed during 2012/13 but remain unchanged.

The Committee's work and outcomes in each of its key areas of responsibility are summarised in the following sub-sections.

#### **Internal Audit**

The Audit Committee concluded that:

- The Head of Internal Audit's annual report supported the overall assurance the Audit Committee requires for the statutory annual assurance statement on the control framework of the Authority.

- Internal Audit delivered all major aspects of its annual plan, achieved key performance targets and adhered to professional standards.
- Management's compliance in responding to Internal Audit reports and implementing recommendations was challenged with a view to ensuring improvement.
- The Internal Audit Plan for 2013/14 was accepted as appropriate.

#### **External Audit and other Inspectorates and Regulatory Bodies**

The Audit Committee :

- Received External Audit reports covering the Audit of Statutory Accounts, Governance Report and Grant Claims and Returns.
- Received and discussed the Annual Audit Letter with the External Auditor's Audit Manager (who attends each meeting) and was satisfied that the key issues identified were being addressed.
- Concluded that the Authority's progress in implementing recommendations made in External Audit reports was good overall.
- Received the External Audit plan 2012/13 and progress reports against the plan.
- Considered management's implementation of recommendations arising from External Audit reports and sought improvements in a number of areas asking for more regular progress reports.
- Received the Annual Ombudsman Complaints report.

#### **Internal Control incorporating Risk Management, Financial Probity and Stewardship**

The Audit Committee :

- Received an annual report on risk management activity in the year as an important element of the overall assurance the Audit Committee requires for the annual assurance statement on the control framework of the Authority.
- Received update reports regarding the progress being made and concluded that satisfactory progress was being made on the development of risk management practice within the Authority.
- Reviewed and endorsed the revised Corporate Risk Management Framework.
- Sought to challenge the process to prepare and review the Strategic Risk Register (SRR).
- Considered the appropriateness of the guidance issued to managers relating to the preparation of the 2012/13 Annual Governance Statement.
- Received, considered and recommended to Council the 2011/12 Annual Governance Statement and monitored the actions arising there from.

**Accounts and Financial Management**

The Audit Committee :

- Received, considered and challenged the final annual accounts and recommended them to full Council meeting within the statutory timescales.
- Received and considered periodic Corporate Finance and Performance Management & Capital Programme Update reports and concluded that variations from budget were understood and controlled.
- Considered and reviewed compliance with the Authority's Treasury Management policy. The Committee is now represented on the Treasury Management Panel.

In addition to the core areas of the Committee's remit, consideration was also given to :

- A review of the Audit Committee Terms of Reference.
- A review of the Authority's Corporate Anti-fraud and Corruption Policy and Strategy and Corporate Whistleblowing Policy.
- The skills of Members.

During the year the Committee has also made requests for topical reports. These have included a review of the Council's Future Council arrangements, Information Governance arrangements and the review of Taxi licensing. This reflects the Committee's broadening remit and the general increased focus and importance of governance related matters during this period of change and austerity.

To give a flavour of our business during the year, the following shows the types and numbers of reports considered by the Committee :-

Area / Report Subject	Number of Reports	
	2012/13	2011/12
Internal Audit related reports	9	13
External Audit related reports	12	24
Risk Management related reports	4	6
Performance Management related reports	0	2
Accounts and Financial Management reports	7	6
Controls Assurance / Corporate Governance reports	5	7
Other reports (excluding Workplan reports)	12	11
<b>Total</b>	<b>49</b>	<b>69</b>

**OTHER ACTIVITIES**

Topical presentations have been made to the members of the audit committee by officers of the Council as part of the on-going training programme. These have included presentations on Future Council Arrangements and the work of the

Council's Housing Benefit Fraud Section. Again it is hoped that such events will continue during 2013/14 being very informative and supportive of the development of the Committee.

We are very pleased with the way in which the Committee further developed during the year. We have demonstrated that we continue to make an impact and add value to the governance and control arrangements of the Council. In addition, the Committee continues to have a regional and national reputation which reflects favourably on Barnsley.

## **OUTCOMES**

Our main focus is on adding value through our activity. By concentrating on outcomes we can identify the benefits of our work. Our key overarching achievements this year are :

- Helping to raise the profile of corporate governance generally across the Authority
- Supporting the Statutory Officers of the Council in the fulfilment of their roles
- Raising the level of management awareness and general compliance with internal control matters.
- Supporting the work and role of the Authority's External Auditors in receiving their reports and ensuring that the recommendations made are implemented.
- Supporting the Internal Audit function and improving the response to audit reports and the implementation of recommendations by directly addressing the issue with the accountable officers.
- Enquiring and challenging the Authority's procedures and performance to satisfy itself that arrangements are in place and effective to enable the Committee to meet its responsibilities in providing assurance to the Council.

## **PLANS FOR 2013/14**

We want to continue to develop and build on our current status. For 2013/14 we will :

- Continue to equip Members to fulfil our responsibilities by providing or facilitating training on all aspects of the Committee's remit
- Play a critical role in the preparation of the Annual Governance Statement and in so doing ensure all governance arrangements are reviewed
- Continue to assist and support officers to promote the work of the Committee and the roles of audit and risk management
- Support the continued production of high quality and compliant statutory accounts and general good practice in financial management
- Help to further increase awareness within the Council of its governance arrangements
- Commit to meet with the Chair of the Overview & Scrutiny Committee to discuss areas of common interest



We are pleased with the progress we have made and the reputation we have achieved. We look forward to building on this further, next year.

***Barnsley MBC Audit Committee  
July 2013***

