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Audit Committee  
ANNUAL REPORT  
2013/14



**BARNSLEY**  
Metropolitan Borough Council



# Introduction

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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 as a demonstration of the Council's commitment to operate an effective audit committee.

# Forward from the Chair

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I am pleased to present this annual report, my first as Chairman. This report describes the Committee's activity over the last financial year.

Once again, it has been a very busy year for the Audit Committee. Local Government has continued to face a challenging economic environment, with staffing levels across the Council being reduced quite dramatically. This coupled with other important changes such as the impact of the Localism Act and the Council's new responsibilities for Public Health, means that effective monitoring and oversight of governance arrangements are more important than ever.

I hope that this annual report helps to demonstrate to the residents of Barnsley and the other stakeholders the important role that is performed by the Audit Committee, and the contribution that it makes to the Council's overall governance.

As usual, the Audit Committee can look forward to another busy year ahead, and I am sure 2014/15 will be every bit as challenging as 2013/14. The financial outlook remains difficult, and it is therefore important that the Audit Committee continues to provide robust oversight of Council spending and value for money.

The Committee continues to perform extremely well 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.

I would like to express my gratitude to those officers and members who have, over the past 12 months, attended the Committee to present and discuss reports on a number of wide ranging issues.

In particular I have to give thanks to the 'independent' lay members that have served on the committee for several years, Gary Ellis who has completed 7 years, Melvyn Lunn & Frank Johnston who have both completed 9 years and in line with good governance practice are to retire. They have all made a significant contribution and their expertise will be difficult to replace.

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**Councillor Tom Sheard**

# Members of the Committee

The Audit Committee is composed of 9 Members. During 2013/14 the membership was:



**Councillor  
Tom Sheard (Chair)**

Tom Sheard was elected as a Labour Councillor for the Kingstone Ward in 2011 and has been the Chair of the Audit Committee since

2013. He also serves on the General Licensing Regulatory Board and the Appeals, Awards & Standards Regulatory Board. He is a Fellow of the Institute of Directors and a Chartered Director.



**Councillor  
Robert Barnard**

Robert Barnard has been a Conservative Councillor for Penistone East Ward since 2006 and is also the Chair of the Penistone Area

Council. He has been a member of the Audit Committee since 2009.



**Councillor  
Donna Green**

Donna Green has been a Labour Councillor for the Kingstone Ward since 2012 and is the Chair of the Central Area Council. She

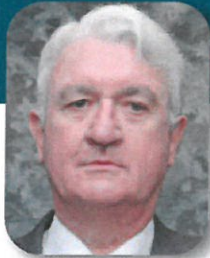
serves on the General Licensing Board and the Appeals, Awards & Standards Regulatory Board. She has been a member of the Audit Committee since 2012.



**Councillor  
Phillip Birkinshaw**

Phillip Birkinshaw is the Leader of the Barnsley Independent Group and has been a Councillor for the Dodworth Ward since

2002. He is a member of the Overview & Scrutiny Committee and the General Licensing Board. He has been a member of the Audit Committee since 2013.



### Mr. Frank Johnston (Vice Chair)

Frank Johnston has been a co-opted member of the Audit Committee since 2005 and

Vice Chair. He is a non-practicing barrister, ex-senior police officer and former Chairman of the Board of Barnsley College He stepped down from this position in April 2014 when his term of appointment ended.



### Mr. Michael Marks

Michael Marks has been a co-opted member of the Audit Committee since 2010. He was previously a programme

manager delivering new IT systems to companies. Prior to that worked as manager in DWP involving in later stages delivery of IT systems



### Mr. Melvyn Lunn

Melvyn Lunn has been a co-opted member of the Audit Committee since 2005. He runs his own accountancy

practice. He is the Chairman of the Berneslai Homes Board and Chair of the Police Joint Independent Audit Committee. He stepped down from this position in April 2014 when his term of appointment came to an end.



### Ms. Diane Brown

Diane Brown has been a co-opted member of the Audit Committee since September 2012. She worked previously

for Sheffield City Council as the external funding manager and is a former internal auditor. She has an HNC in Public Administration and is a member of the Association of Accounting Technicians.



### Mr. Gary Ellis

Gary Ellis has been a co-opted member of the Audit Committee since 2007. He stepped down from this

appointment in March 2014. Gary is a qualified accountant by profession and he is currently the Chief Executive and Director of Finance of the Coalfields Regeneration Trust. He has recently been appointed to the position of Chairman of Berneslai Homes' Audit Committee.

The officer support to the Audit Committee has continued, through the regular attendance of the Director Legal & Governance and the Director Finance Property & Information Services.

# Meetings and attendance

The Audit Committee had 8 meetings during the year. Attendance overall has been very good and members of the Committee should be thanked and commended for their continued commitment to the work of the Committee.

The table below shows the attendance of the members of the Committee during the year.

Audit Committee Member	Possible Meetings	Meetings Attended
Councillor Tom Sheard (Chair)	8	8
Councillor Phillip Birkinshaw	8	7
Councillor Donna Green	8	7
Councillor Robert Barnard	8	8
Mr. Frank Johnston (Vice-Chair)	8	8
Mr. Melvyn Lunn	8	8
Mr. Gary Ellis	7	4
Mr. Michael Marks	8	7
Ms Diane Brown	8	7
Total Possible Attendances	71	
Total Actual Attendances	64	
Percentage Attendance	90%	

Frank Johnston, Melvyn Lunn and Gary Ellis stepped down as co-opted members of the Committee in 2014 as their terms of appointment had come to an end and we thanked them for their valuable contribution. We are now in the process of recruiting replacement co-opted members who will take up the role soon.

# The Work of the Audit Committee during 2013/14

The Audit Committee's current terms of reference cover a number of areas. The Committee's work and outcomes in each of its key areas of responsibility are summarised in the following sub-sections.

## Internal Audit Services

During the year, 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.
- Concluded that Internal Audit delivered all major aspects of its annual plan, achieved key performance targets and adhered to professional standards.
- Concluded that Management's compliance in responding to Internal Audit reports and implementing recommendations continues to improve.
- Approved the Internal Audit Plan for 2014/15.
- Received the Annual Review of Effectiveness of Internal Audit report.

## External Audit and other Inspectorates and Regulatory Bodies

During the year, the Audit Committee:

- Received and discussed the 2012/13 Annual Audit Letter with the Authority's External Audit Manager (who attends each meeting) and was satisfied that the key issues identified were being addressed.

- Received the External Audit plan 2013/14 and progress reports against the plan.
- Reviewed the Annual Audit Fee 2013/14 letter.
- Received External Audit reports.
- Concluded that the Authority's progress in implementing recommendations made in External Audit reports was good overall.
- Received External Auditor's technical update reports.
- Received the Annual Ombudsman Complaints report.
- Received the Regulation of Investigatory Powers Act (RIPA) report.

## Corporate Risk Management

During the year, 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).



## Corporate Governance issues

During the year, the Audit Committee:

- Considered the appropriateness of the guidance issued to managers relating to the 2013/14 Annual Governance Review.
- Received, considered and recommended to Council the 2012/13 Annual Governance Statement and monitored the actions arising.
- Reviewed the Authority's Corporate Anti-Fraud and Corruption Policy and Strategy and Corporate Whistleblowing Policy.
- Received the Annual Fraud report
- Received the Annual Whistleblowing report
- Reviewed the Council's Code of Corporate Governance.
- Reviewed and approved the Audit Committee Terms of Reference.
- Carried out a self assessment on the effectiveness of the Audit Committee.

## Accounts and Financial Management

The Audit Committee:

- Received, considered and challenged the final annual accounts and recommended them to full Council 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 represented on the Treasury Management Panel.

To summarise our business during the year, the following table shows the types and numbers of reports considered by the Committee:-

Area / Report Subject	Number of Reports	
	2013/14	2012/13
Internal Audit related reports	10	9
External Audit related reports	14	12
Risk Management related reports	6	4
Accounts and Financial Management reports	9	7
Controls Assurance / Corporate Governance reports	12	5
Other reports (excluding Workplan reports)	6	12
<b>Total</b>	<b>57</b>	<b>49</b>

## Audit Committee Effectiveness, Outcomes and Added Value

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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.
- Increasing public confidence in the objectivity and fairness of financial and other reporting.

## Other Activities

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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 the Council's Performance Management Framework and the Strategic Risk Register. Again it is hoped that such events will continue during 2014/15 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.

## Plans for 2014/15

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The Audit Committee will continue to have many important issues to address in the coming year, as detailed within the annual workplan which is kept up to date and presented to every meeting of the Audit Committee.

We want to continue to develop and build on our current status. For 2014/15 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 Chairs of the Scrutiny Commissions 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.

## Further Information

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If you have any comments or questions arising from this report, or would like to know more about the work of the Audit Committee, please contact:

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