



Informal Consultative Meeting of Audit Committee

Thursday 25th November 2021

10.00 am

**A virtual meeting via Zoom Meeting
Software**

The following members are requested to attend this meeting:

Chairman: Martin Carnell

Vice-chairman: Mike Hewitson

Robin Bastable

Mike Best

Dave Bulmer

Malcolm Cavill

Brian Hamilton

Tim Kerley

Paul Maxwell

Vacancy

Derek Yeomans (Independent Member)

Any members of the public wishing to address the meeting at Public Question Time need to email democracy@southsomerset.gov.uk by 9.00am on the 24th November 2021.

The meeting will be viewable online by selecting the committee meeting at:

https://www.youtube.com/channel/UCSDst3IHGj9WoGnwJGF_soA

For further information on the items to be discussed, please contact

democracy@southsomerset.gov.uk

This Agenda was issued on Wednesday 17 November 2021.

Jane Portman, Chief Executive Officer

This information is also available on our website

www.southsomerset.gov.uk and via the mod.gov app

Information for the Public

In light of the coronavirus pandemic (COVID-19), Audit Committee will meet virtually via video-conferencing to consider reports. As of 7 May 2021 some interim arrangements are in place for committee meetings.

At the meeting of Full Council on 15 April 2021 it was agreed to make the following changes to the Council's Constitution:

- a) To continue to enable members to hold remote, virtual meetings using available technology;
- b) To amend Part 3 (Responsibility for Functions) of the Council's Constitution to allow those remote meetings to function as consultative bodies and delegate decisions, including Executive and Quasi-Judicial decisions, that would have been taken by those meetings if the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 had continued in force to the Chief Executive (or the relevant Director in the Chief Executive's absence) in consultation with those meetings and those members to whom the decision would otherwise have been delegated under Part 3 of the Constitution;
- c) The delegated authority given under (b) will expire on 31 July 2021 unless continued by a future decision of this Council;

For full details and to view the report please see -

<https://modgov.southsomerset.gov.uk/ieListDocuments.aspx?CId=137&MId=2981&Ver=4>

Further to the above, at the meeting of Full Council on 8 July 2021, it was agreed to extend the arrangements for a further 6 months to 8 January 2022.

For full details and to view the report please see -

<https://modgov.southsomerset.gov.uk/ieListDocuments.aspx?CId=137&MId=3033&Ver=4>

Information about Audit Committee

The purpose of the Audit Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority's financial and non-financial performance, to the extent that it affects the authority's exposure to risk and weakens the control environment and to oversee the financial reporting process.

The Audit Committee should review the Code of Corporate Governance seeking assurance where appropriate from the Executive or referring matters to management on the scrutiny function.

The terms of reference of the Audit Committee are:

Internal Audit Activity

1. To approve the Internal Audit Charter and annual Internal Audit Plan;
2. To receive quarterly summaries of Internal Audit reports and seek assurance from management that action has been taken;
3. To receive an annual summary report and opinion, and consider the level of assurance it provides on the council's governance arrangements;

4. To monitor the action plans for Internal Audit reports assessed as “partial” or “no assurance;”
5. To consider specific internal audit reports as requested by the Head of Internal Audit, and monitor the implementation of agreed management actions;
6. To receive an annual report to review the effectiveness of internal audit to ensure compliance with statutory requirements and the level of assurance it provides on the council’s governance arrangements;

External Audit Activity

7. To consider and note the annual external Audit Plan and Fees;
8. To consider the reports of external audit including the Annual Audit Letter and seek assurance from management that action has been taken;

Regulatory Framework

9. To consider the effectiveness of SSDC’s risk management arrangements, the control environment and associated anti-fraud and corruption arrangements and seek assurance from management that action is being taken;
10. To review the Annual Governance Statement (AGS) and monitor associated action plans;
11. To review the Local Code of Corporate Governance and ensure it reflects best governance practice. This will include regular reviews of part of the Council’s Constitution and an overview of risk management;
12. To receive reports from management on the promotion of good corporate governance;

Financial Management and Accounts

13. To review and approve the annual Statement of Accounts, external auditor’s opinion and reports to members and monitor management action in response to issues raised;
14. To provide a scrutiny role in Treasury Management matters including regular monitoring of treasury activity and practices. The committee will also review and recommend the Annual Treasury Management Strategy Statement and Investment Strategy, MRP Strategy, and Prudential Indicators to Council;
15. To review and recommend to Council changes to Financial Procedure Rules and Procurement Procedure Rules;

Overall Governance

16. The Audit Committee can request of the Section 151 Officer, the Monitoring Officer, or the Chief Executive (Head of Paid Services) a report (including an independent review) on any matter covered within these Terms of Reference;
17. The Audit Committee will request action through District Executive if any issue remains unresolved;
18. The Audit Committee will report to each full Council a summary of its activities.

Members questions on reports prior to the Meeting

Members of the Committee are requested to contact report authors on points of clarification prior to the Committee meeting.

Audit Committee

Meetings of the Audit Committee are usually held bi-monthly including at least one meeting with the Council's external auditor, although in practice the external auditor attends more frequently. However during the coronavirus pandemic these meetings will be held remotely via Zoom video-conferencing and the starting time may vary.

Agendas and minutes of this committee are published on the Council's website at <http://modgov.southsomerset.gov.uk/ieDocHome.aspx?bcr=1>

Agendas and minutes can also be viewed via the mod.gov app (free) available for iPads and Android devices. Search for 'mod.gov' in the app store for your device, install, and select 'South Somerset' from the list of publishers and then select the committees of interest. A wi-fi signal will be required for a very short time to download an agenda but once downloaded, documents will be viewable offline.

Public participation at meetings (held via Zoom)

Public question time

We recognise that these are challenging times but we still value the public's contribution to our virtual meetings.

If you would like to address the virtual meeting during Public Question Time, please email democracy@southsomerset.gov.uk by 9.00am on Wednesday 24th November 2021. When you have registered, the Chairman will invite you to speak at the appropriate time during the virtual meeting.

The period allowed for participation in Public Question Time shall not exceed 15 minutes except with the consent of the Chairman and members of the Committee. Each individual speaker shall be restricted to a total of three minutes.

This meeting will be streamed online via YouTube at:
https://www.youtube.com/channel/UCSDst3IHGj9WoGnwJGF_soA

Virtual meeting etiquette:

- Consider joining the meeting early to ensure your technology is working correctly.
- Please note that we will mute all public attendees to minimise background noise. If you have registered to speak during the virtual meeting, the Chairman or Administrator will un-mute your microphone at the appropriate time. We also respectfully request that you turn off video cameras until asked to speak.
- Each individual speaker shall be restricted to a total of three minutes.
- When speaking, keep your points clear and concise.
- Please speak clearly – the Councillors are interested in your comments.

Recording and photography at council meetings

Recording of council meetings is permitted, however anyone wishing to do so should let the Chairperson of the meeting know prior to the start of the meeting. The recording should be overt and clearly visible to anyone at the meeting, but non-disruptive. If someone is recording the meeting, the Chairman will make an announcement at the beginning of the meeting. If anyone making public representation does not wish to be recorded they must let the Chairperson know.

The full 'Policy on Audio/Visual Recording and Photography at Council Meetings' can be viewed online at:

<http://modgov.southsomerset.gov.uk/documents/s3327/Policy%20on%20the%20recording%20of%20council%20meetings.pdf>

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Informal Consultative Meeting of Audit Committee

Thursday 25 November 2021

Agenda

Preliminary Items

1. Minutes

To approve as a correct record the minutes of the previous meeting held on 28th October 2021.

2. Apologies for absence

3. Declarations of Interest

In accordance with the Council's current Code of Conduct (as amended 26 February 2015), which includes all the provisions relating to Disclosable Pecuniary Interests (DPI), personal and prejudicial interests, Members are asked to declare any DPI and also any personal interests (and whether or not such personal interests are also "prejudicial") in relation to any matter on the agenda for this meeting.

4. Public question time

5. Date of next meeting

Councillors are requested to note that the next Audit Committee meeting is scheduled to be held at **2.00pm on Wednesday 9th February 2022**, meeting venue to be confirmed.

Items for Discussion

6. Presentation - Counter Fraud (Page 7)

7. Proposal to opt into the National Scheme for External Auditor Appointments (Pages 8 - 16)

8. Audit Committee Forward Plan (Pages 17 - 19)



Presentation - Counter Fraud

Dave Warren (SWAP) will be attending to give a presentation to cover baseline assessment of maturity in relation to fraud both for SSDC and in comparison to others.

Proposal to opt into the National Scheme for External Auditor Appointments

SLT Lead/Lead Officer: Karen Watling, Chief Finance Officer
Contact Details: Karen.Watling@southsomerset.gov.uk

Purpose of the Report

1. This report sets out proposals for appointing the external auditor to the Council for the five-year period 2023/24 to 2027/28 inclusive.
2. The current auditor appointment arrangements cover the period up to and including the audit of the 2022/23 Statement of Accounts. The Council decided to opt into the national auditor appointment arrangements established by Public Sector Audit Appointments (PSAA) for the period 2018/19 to 2022/23.
3. PSAA is now undertaking a procurement for the next appointing period (2023/24 to 2027/28). All local government bodies have therefore been asked to make decisions about their external audit arrangements from 2023/24. Councils can arrange their own procurement and make the appointment themselves or in conjunction with other bodies, or they can join the national collective scheme administered by PSAA.
4. This report concludes that the sector-wide procurement conducted by PSAA will produce better outcomes and will be less burdensome for the Council than a procurement undertaken locally because:
 - Collective procurement reduces costs for the sector and for individual authorities compared to a multiplicity of smaller local procurements.
 - If it does not use the national appointment arrangements, the Council (and its successor) will need to establish its own auditor panel with an independent chair and independent members to oversee a local auditor procurement and ongoing management of an audit contract.
 - It is the best opportunity to secure the appointment of a qualified, registered auditor - there are only nine accredited local audit firms, and a local procurement would be drawing from the same limited supply of auditor resources as PSAA's national procurement.
 - Supporting the sector-led body offers the best way of ensuring there is a continuing and sustainable public audit market into the medium and long term.
5. If the Council wishes to take advantage of the national auditor appointment arrangements, it is required under the local audit regulations to make the decision at full Council. The opt-in period starts on 22 September 2021 and closes on 11 March 2022. To opt into the national scheme from 2023/24, the Council needs to return completed opt-in documents to PSAA by 11 March 2022.



South Somerset District Council

6. The appointment of external auditors will obviously take effect in the first year of the new unitary council. PSAA has suggested that the current eligible bodies, including SSDC, confirm their acceptance to opt in (or otherwise) to avoid the requirement to have to make local arrangements if for any reason there is uncertainty that the reorganisation will take place or meet the current timetable.
7. All of the S151 Officers for the five authorities in Somerset have been able to agree to make the recommendation that each Council opts in as the most beneficial option available to the current and future council.

Public Interest

7. Local public services account for a significant amount of public spending. In 2019-20, local authorities, local police and local fire bodies spent nearly £100 billion delivering their services, which many local taxpayers rely on every day. South Somerset District Council (SSDC) alone spent £142 million in 2020/21 (£100,128,500 revenue expenditure and £42,177,000 on capital expenditure).
8. Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies must prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.
9. Taxpayers, national bodies and other stakeholders reasonably expect that the auditor will normally be able to assure that the financial statements have been properly prepared, are free from material error, and that the body has proper arrangements in place to secure value for money.
10. Where the auditor is satisfied that the financial statements present a true and fair view, they issue an unqualified opinion. Where they are not satisfied, or where they have other matters to which they wish to draw attention, they give a qualified or 'non-standard' report. Where the auditor considers that a particular matter is sufficiently serious to draw to public attention more widely, including informing the relevant Secretary of State, they may choose to make a statutory recommendation requiring a public response or issue a Public Interest Report (PIR).
11. Local authorities have faced significant challenges since 2010-11 as funding has reduced and demand for key services has grown. Not only are the risks from poor governance greater in the current context as the stakes are higher, but the process of governance itself is more challenging and complex as activities become more varied, complicated and commercial in many councils, including SSDC. External audit is one of the checks and balances in the system and plays a key role. Any proposed changes to the existing arrangements for external audit are therefore important to understand in terms of governance and the stewardship of public funds.

Recommendations

12. That Audit Committee recommends to Council to:



- a) Accept Public Sector Audit Appointments' invitation to opt into the sector-led option for the appointment of external auditors for the five financial years from 1 April 2023.
- b) Delegate authority to the Chief Finance Officer (S151 Officer) to sign the Notice of Acceptance of the invitation to opt in.
- c) Note that newly established local government bodies have the right to opt into PSAA's scheme under Regulation 10 of the Appointing Person Regulations Act 2015, which will enable the new unitary council to consider opting in to PSAA's scheme or make alternative arrangements when legally constituted.

Background to the proposal

Procurement of External Audit for the period 2023/24 to 2027/28

13. Under the Local Government Audit & Accountability Act 2014 ("the Act"), the council is required to appoint an auditor to audit its accounts for each financial year. The council has three options:
 - To appoint its own auditor, which requires it to follow the procedure set out in the Act.
 - To act jointly with other authorities to procure an auditor following the procedures in the Act.
 - To opt-in to the national auditor appointment scheme administered by a body designated by the Secretary of State as the 'appointing person'. The body currently designated for this role is Public Sector Audit Appointments Limited (PSAA).
14. To opt-in to the national scheme, a council must make a decision at a meeting of the Full Council.

The Appointed Auditor

15. The auditor appointed at the end of the procurement process will undertake the statutory audit of accounts and Best Value assessment of the council in each financial year, in accordance with all relevant codes of practice and guidance. The appointed auditor is also responsible for investigating questions raised by electors and has powers and responsibilities in relation to Public Interest Reports and statutory recommendations.
16. The auditor must act independently of the council and the main purpose of the procurement legislation is to ensure that the appointed auditor is sufficiently qualified and independent.
17. The auditor must be registered to undertake local audits by the Financial Reporting Council (FRC) and employ authorised Key Audit Partners to oversee the work. As the paragraphs below set out, and as also reported to October Audit Committee in the Redmond Review briefing report, there is currently a national shortage of registered firms and Key Audit Partners.
18. Auditors are regulated by the FRC, which will be replaced by a new body with wider powers, the Audit, Reporting and Governance Authority (ARGA) during



the course of the next audit contract.

19. Councils therefore have very limited influence over the nature of the audit services they are procuring, the nature and quality of which are determined or overseen by third parties.

Appointment by the council/Authority itself or jointly

20. The Council may elect to appoint its own external auditor under the Act, which would require the council to:
 - Establish an independent auditor panel to make a stand-alone appointment. The auditor panel would need to be set up by the Council itself, and the members of the panel must be wholly or a majority of independent members as defined by the Act. Independent members for this purpose are independent appointees, excluding current and former elected members (or officers) and their close families and friends. This means that elected members will not have a majority input to assessing bids and choosing to which audit firm to award a contract for the Council's external audit.
 - Manage the contract for its duration, overseen by the Auditor Panel.
21. Alternatively, the Act enables the Council to join with other authorities to establish a joint auditor panel. Again, this will need to be constituted of wholly or a majority of independent appointees. Further legal advice would be required on the exact constitution of such a panel having regard to the obligations of each Council under the Act and the Council would need to liaise with other local authorities to assess the appetite for such an arrangement.

The national auditor appointment scheme

22. PSAA is specified as the 'appointing person' for principal local government audits under the provisions of the Act and the Local Audit (Appointing Person) Regulations 2015. PSAA let five-year audit services contracts in 2017 for the first appointing period, covering audits of the accounts from 2018/19 to 2022/23. It is now undertaking the work needed to invite eligible bodies to opt in for the next appointing period, from the 2023/24 audit onwards, and to complete a procurement for audit services. PSAA is a not-for-profit organisation whose costs are around 4% of the scheme with any surplus distributed back to scheme members.
23. In summary the national opt-in scheme provides the following:
 - The appointment of a suitably qualified audit firm to conduct audits for each of the five financial years commencing 1 April 2023.
 - Appointing the same auditor to other opted-in bodies that are involved in formal collaboration or joint working initiatives to the extent this is possible with other constraints.
 - Managing the procurement process to ensure both quality and price criteria are satisfied. PSAA has sought views from the sector to help inform its detailed procurement strategy.



- Ensuring suitable independence of the auditors from the bodies they audit and managing any potential conflicts as they arise during the appointment period.
- Minimising the scheme management costs and returning any surpluses to scheme members.
- Consulting with authorities on auditor appointments, giving the Council/Authority the opportunity to influence which auditor is appointed.
- Consulting with authorities on the scale of audit fees and ensuring these reflect scale, complexity, and audit risk.
- Ongoing contract and performance management of the contracts once these have been let.

Pressures in the current local audit market and delays in issuing opinions

24. Much has changed in the local audit market since audit contracts were last awarded in 2017. At that time the audit market was relatively stable, there had been few changes in audit requirements, and local audit fees had been reducing over a long period. 98% of those bodies eligible opted into the national scheme and attracted very competitive bids from audit firms. The resulting audit contracts took effect from 1 April 2018.
25. However since then there have been a number of issues surrounding the audit of local government that gave rise to the following comment in a report from the House of Commons Public Accounts Committee (PAC) published on the 14th July 2021 which says “...without urgent action from government, the audit system for local authorities in England and Wales may soon reach breaking point.”
<https://publications.parliament.uk/pa/cm5802/cmselect/cmpubacc/171/17104.htm>
26. The issues giving rise to this comment were described in the “Briefing on the Redmond Review” report which went to Audit Committee for information in October 2021. A recap of the key issues are:
 - Late delivery of audit opinions: less than half of local bodies’ 2019-20 audits were completed by the extended deadline of 30 November 2020.
 - Serious shortfalls in the number of specialists which audit firms rely on to carry out audits of local authorities.
 - Complex technical issues have been a significant factor in delaying the audit. This includes auditing local bodies’ investments in commercial property and in 3rd party enterprises and subsidiaries requiring group accounts.
 - The requirements of International Financial Reporting Standards (IFRS), along with the increased expectations from the Financial Reporting Council (FRC) following the high-profile corporate failures such as Carillion, have combined to produce a significant increase in audit work, such as on asset and pensions valuations.
 - Only nine audit firms have the specialist knowledge and accreditation needed to audit local authorities. Currently, the market is dominated by just two firms, (EY and Grant Thornton) which carry out around 70% of local authority audits.



- The Public Accounts Committee (July 2021) also notes that councils have become increasingly unattractive as clients and that audit fees in real terms have dropped significantly in recent years and now no longer reflect the work involved.
27. On 10 July 2019 the then Secretary of State for Housing, Communities and Local Government, James Brokenshire, announced a review into local audit. This was chaired by Sir Tony Redmond, a former Local Government Ombudsman and former president of the Chartered Institute of Public Finance and Accountancy (CIPFA)
28. The review made several recommendations and government has accepted several of these recommendations and rejected/changed others. The key points to note for this report are that:
- A new organisation will be the “system leader” for local audit. This organisation will be known as the Audit, Governance and Reporting Authority (ARGA) and its creation will require primary legislation to replace the Financial Reporting Council.
 - PSAA will continue as the ‘appointing person’ for principal local government audits under the provisions of the Act and the Local Audit (Appointing Person) Regulations 2015.

Assessment of the proposal and next steps

The invitation

29. PSAA is now inviting the Council to opt in for the second appointing period, for 2023/24 to 2027/28, along with all other eligible authorities. Based on the level of opt-ins, it will enter into contracts with appropriately qualified audit firms and appoint a suitable firm to be the Council’s auditor.

How PSAA would undertake the next audit procurement

30. The prices submitted by bidders through the procurement will be the key determinant of the value of audit fees paid by opted-in bodies. PSAA will:
- Seek to encourage realistic fee levels and to benefit from the economies of scale associated with procuring on behalf of a significant number of bodies.
 - Continue to pool scheme costs and charge fees to opted-in bodies in accordance with the published fee scale as amended following consultations with scheme members and other interested parties (pooling means that everyone within the scheme will benefit from the prices secured via a competitive procurement process – a key tenet of the national collective scheme).
 - Continue to minimise its own costs, around 4% of scheme costs, and as a not-for-profit company will return any surplus funds to scheme members. In 2019 it returned a total £3.5million to relevant bodies and in 2021 a further £5.6million was returned.
31. PSAA will seek to encourage market sustainability in its procurement. Firms will



be able to bid for a variety of differently sized contracts so that they can match their available resources and risk appetite to the contract for which they bid. They will be required to meet appropriate quality standards and to reflect realistic market prices in their tenders, informed by the scale fees and the supporting information provided about each audit. Where regulatory changes are in train which affect the amount of audit work suppliers must undertake, firms will be informed as to which developments should be priced into their bids.

32. The scope of a local audit is fixed. It is determined by the Code of Audit Practice (currently published by the National Audit Office), the format of the financial statements (specified by CIPFA) and the application of auditing standards regulated by the FRC. These factors apply to all local audits irrespective of whether an eligible body decides to opt into PSAA's national scheme or chooses to make its own separate arrangements. The requirements are mandatory; they shape the work auditors undertake and have a bearing on the actual fees required.
33. There are currently nine audit providers eligible to audit local authorities and other relevant bodies under local audit legislation. This means that a local procurement exercise would seek tenders from the same firms as the national procurement exercise, subject to the need to manage any local independence issues. Local firms cannot be invited to bid. Local procurements must deliver the same audit scope and requirements as a national procurement, reflecting the auditor's statutory responsibilities.

Assessment of options and officer recommendation

34. If the Council did not opt in there would be a need to establish an independent auditor panel to make a stand-alone appointment. The auditor panel would need to be set up by the Council itself, and the members of the panel must be wholly or a majority of independent members as defined by the Act. Independent members for this purpose are independent appointees, excluding current and former elected members (or officers) and their close families and friends. This means that elected members will not have a majority input to assessing bids and choosing to which audit firm to award a contract for the Council's external audit.
35. Alternatively, the Act enables the Council to join with other authorities to establish a joint auditor panel. Again, this will need to be constituted of wholly or a majority of independent appointees. Further legal advice would be required on the exact constitution of such a panel having regard to the obligations of each Council under the Act and the Council would need to liaise with other local authorities to assess the appetite for such an arrangement.
36. These would be more resource-intensive processes to implement for the Council, and without the bulk buying power of the sector-led procurement would be likely to result in a more costly service. It would also be more difficult to manage quality and independence requirements through a local appointment process. The Council is unable to influence the scope of the audit and the regulatory regime inhibits the Council's ability to affect quality.
37. The Council and its auditor panel would need to maintain ongoing oversight of the contract. Local contract management cannot, however, influence the scope



or delivery of an audit.

38. The national offer provides the appointment of an independent auditor with limited administrative cost to the Council. By joining the scheme, the Council would be acting with other councils to optimise the opportunity to influence the market that a national procurement provides.
39. The recommended approach is therefore to opt-in to the national auditor appointment scheme.

The way forward

40. Regulation 19 of the Local Audit (Appointing Person) Regulations 2015 requires that a decision to opt in must be made by a meeting of the Council (meeting as a whole), except where the authority is a corporation sole.
41. The Council then needs to respond formally to PSAA's invitation in the form specified by PSAA by the close of the opt-in period (11 March 2022).
42. PSAA will commence the formal procurement process in early February 2022. It expects to award contracts in August 2022 and will then consult with authorities on the appointment of auditors so that it can make appointments by the statutory deadline of 31 December 2022.

Local Government Reorganisation in Somerset

43. PSAA is aware that reorganisations in the local government areas of Cumbria, Somerset and North Yorkshire were announced in July 2021. Subject to parliamentary approval shadow elections will take place in either May 2022 or May 2023 for the new Councils to become established from 1 April 2023. Newly established local government bodies have the right to opt into PSAA's scheme under Regulation 10 of the Appointing Person Regulations 2015. These regulations also set out that a local government body that ceases to exist is automatically removed from the scheme.
44. If for any reason there is uncertainty that reorganisations will take place or meet the current timetable, PSAA has suggested that the current eligible bodies confirm their acceptance to opt in to avoid the requirement to have to make local arrangements should the reorganisation be delayed.
45. All of the S151 Officers for the five authorities in Somerset have been able to agree to make the recommendation that each Council opts in as the most beneficial option available to the current and future council.

Financial Implications

46. It is expected that current external audit fee levels will increase when the current contracts end. It is clear that the scope of local audit has increased since the current contract was awarded and that this requires more audit work. There is also a recognition that audit fees will need to increase in order to stabilise or increase capacity and sustainability in the local audit market.
47. Opting into a national scheme provides maximum opportunity to ensure fees are as realistic as possible, while ensuring the quality of audit is maintained, by entering into a large scale collective procurement arrangement.
48. If the national scheme is not used some additional resource may be needed to



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establish an auditor panel and conduct a local procurement. Until a procurement exercise is completed it is not possible to state what, if any, additional resource may be required for audit fees from 2023/24.

Background Papers

“Briefing on the Redmond Review” Audit Committee, 28th October 2021



Audit Committee Forward Plan

SLT Lead: Karen Watling, Chief Finance Officer
Lead Officer: Michelle Mainwaring, Case Officer (Strategy & Commissioning)
Contact Details: michelle.mainwaring@southsomerset.gov.uk

Purpose of the Report

This report informs Members of the agreed Audit Committee Forward Plan.

Recommendations

Members are asked to note and comment upon the proposed Audit Committee Forward Plan as attached.

Audit Committee Forward Plan

The forward plan sets out items and issues to be discussed over the coming few months and is reviewed annually.

Items marked *in italics* are not yet confirmed.

Background Papers

None.

Audit Committee Forward Plan

Meeting Date	Item	Responsible Officer
Wednesday 9th February 2022 2pm	1. Annual External Auditors' Report	Beth Garner - Manager (Grant Thornton)
	2. Approval of audited Statement of Accounts for 2020/21	Chief Finance Officer and Lead Specialist – Finance (Deputy S151 Officer)
	3. Internal Audit Plan Progress Update Report	Alastair Woodland, Assistant Director, (SWAP)
	4. Treasury Management Strategy (to go on to Full Council)	Lead Finance Officer/Deputy S151 Officer
	5. Update on Somerset Reorganisation and any impact on the progression and financing of current council projects	Jill Byron - Monitoring Officer
	6. ToR Working Group Update	Alistair Woodland, Assistant Director (SWAP)
	7. Financial Information requested by Audit Committee regarding SSSC Opium Ltd (Restricted Enclosure)	Chief Finance Officer and Lead Specialist – Finance (Deputy S151 Officer)
24th March 2022	1. External Audit Progress Report	Beth Garner, Manager - Grant Thornton
	2. Audit Plan 2022-2023 and Charter	Alistair Woodland, Assistant Director (SWAP)
TBC	<i>Annual review of Treasury Management Practices - CIPFA are currently updating the Treasury Management Code and consultation will finish early November 2021. This report will therefore go to Audit Committee when the Code changes are known</i>	<i>Lead Specialist – Finance (Deputy S151 Officer)</i>
	<i>Risk Management Update</i>	<i>Lead Specialist – Strategic Planning</i>

	<i>Certificate of Claims Report</i>	<i>Lead Specialist (Finance) & Deputy S151 Officer</i>
	<i>Annual Health & Safety Update</i>	<i>Lead Specialist – Strategic Planning</i>
	<i>Annual Civil Contingencies and Whistle Blowing Update</i>	<i>Lead Specialist – Strategic Planning</i>
	<i>Update on S106 process following recent internal audit report</i>	<i>TBC</i>
	<i>Monitoring the recommendations of SWAP following audits.</i>	<i>TBC</i>