

**Open Report on behalf of Pete Moore, Executive Director Resources and
Community Safety**

Report to:	Audit Committee
Date:	30 January 2012
Subject:	Development of Audit Committee Annual Report - March 2012

Summary:

This Report sets out the proposed approach for the development of the Audit Committee Annual Report.

The purpose of the Annual Report is to raise awareness of the Committees' role and how it has positively contributed to the way the Council is run.

Recommendation(s):

- Review the proposed content of the Annual Report and identify any changes in content and format.

- Approve setting up a small task and finish group with 2 members of the Committee to help develop the Annual Report. The draft report will be presented to the Committee at the April 2012 meeting.

Background

- 1.1 The Audit Committee plays a vital role in how the Council is run. It provides constructive challenge on the way things are done and contributes to providing assurance on how well the Council manages its risks and successfully delivers its services.
- 1.2 The purpose of the Annual Report is to set out for the Council how the Committee has discharged its role over the past year and any key messages we feel should be raised. Attached in Appendices A and B are examples of previous Annual Reports to help provide a reference point.
- 1.3 To help develop the Annual Report it is suggested that a small 'task and finish' group is set up to work with Lucy Pledge (Head of Audit and Risk Management). We are seeking agreement for two members of this Committee to be part of this group.
- 1.4 Outlined below are the suggested contents of the Annual report:

Foreward - Scene setting by the Chairman - Councillor Barry Young.
Membership - Membership of the Committee during 2011/12.

Introduction - Brief outline of purpose of the Committee.

Review of 2011/12 - Key messages we feel should be raised with Council.

Impact & Effectiveness – Identify what difference the Committee has made to the way the Council is run, particularly around:

- § Risk Management
- § Governance & Internal Control
- § Financial Reporting
- § Counter Fraud
- § Internal & External Audit
- § Improving accountability

Looking ahead - Setting out future work plan and how the Committee will help support the Council in the challenging times ahead.

- 1.5 The Appendices show the type of information that could be included based on previous reports. We are seeking the views of the Committee on whether this is the type of information it wishes to be included and any potential areas for inclusion. Working with members of the Committee in the ‘task and finish’ group should also enable us to develop a report that sets out what you want to say.

Conclusion

- 2.1 The publication of an Annual Report plays a key part in raising awareness of the Audit Committees’ role, how it has discharged its terms of reference and the difference it has made in helping the Council maintain good governance in the way it conducts its ‘business’.

Consultation

a) Policy Proofing Actions Required

Not applicable

Appendices

These are listed below and attached at the back of the report	
Appendix A	Annual Report 2007
Appendix B	Annual Report 2009

Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Lucy Pledge, who can be contacted on 01522 553692 or lucy.pledge@lincolnshire.gov.uk.