

Regulatory and Other Committee

Open Report on behalf of Pete Moore, Executive Director Finance and Public Protection

Report to:	Audit Committee
Date:	22 September 2014
Subject:	Draft Audit Committee Annual Report

Summary:

This report seeks to show how the Audit Committee has discharged its terms of reference and has positively contributed to how well the Council has been run.

Recommendation(s):

That the Committee considers the contents of its draft Annual Report, and:

1. confirm that it adequately reflects the work done;
2. identify any changes to the draft report;
3. approves the Chairman to approve the final version and present the Audit Committee Annual report to the Council.

Background

Audit Committee Role and Remit

- 1 The Audit Committee is a key element of the Councils governance and assurance framework. It provides 'insight' and 'comfort' (assurance) to the Council over its governance, risk and internal control environment. It plays a vital 'watchdog' role – ensuring transparency and demonstrating accountability.

*"If management is about running the business – governance is about seeing that it is run properly"*¹

How has the annual report been prepared?

- 2 We set up a small working group – comprising of:

¹ Robert Tricker. An expert in Corporate Governance.

- Councillor Paul Wood – Audit Committee member
- Councillor Neville Jackson – Audit Committee member
- Mr Peter David Finch – independent added member of the Audit Committee
- Lucy Pledge – Audit and Risk Manager

The group reviewed other examples of Audit Committee annual reports and discussed the content of the report.

3 The draft Audit Committee Annual report (Appendix A) is presented to the Committee to discuss / agree whether it adequately reflects the work undertaken in the last year – specifically:

- whether the committee has fulfilled its agreed terms of reference
- whether the committee has adopted recommended practice
- whether the development needs of committee members have been assessed and whether committee members are accessing briefing and training opportunities
- whether the committee has assessed its own effectiveness or been the subject of a review and the conclusions and actions from that review
- what impact the committee has on the improvement of governance, risk and control within the authority

4 A number of workshops have been held in 2014. All designed to help improve the effectiveness of the Committee. The outcome from these has helped inform the work plan for 2014/15.

5 CIPFA's Better Governance Forum issued a briefing note on producing an Audit Committee Annual Report and assessing the Committee's performance. This is attached in Appendix B for information.

Conclusion

6 The Audit Committee has worked well with Officers to maintain effective governance arrangements. It has provided independent insight and challenge on the Council's strategic risks and key activities. This has in our view improved – decision making – accountability and transparency.

7 The Committee's terms of reference has been adequately discharged in all areas – except reviewing the effectiveness of the Council's Standards regime. This activity has been included in the 2014/15 work plan.

Consultation

a) Policy Proofing Actions Required

n/a

Appendices

These are listed below and attached at the back of the report	
Appendix A	Draft Audit Committee Annual Report
Appendix B	CIPFA Better Governance Forum - Audit Committee Annual Report briefing June 2014

Background Papers

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

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