

REPORT OF DIRECTOR OF STRATEGIC FINANCE

THE AUDIT COMMITTEE ANNUAL WORK PROGRAMME - UPDATE

1. **SUMMARY**

This report outlines the core functions of the Audit Committee, the benefits that will arise for the City Council and an outline annual work programme.

2. **RECOMMENDATION**

That the updated work programme at **Appendix 1** be endorsed.

3. **REASONS FOR CONSIDERATION**

3.1 An Audit Committee is central to the provision of effective corporate governance, which partly depends on a systematic strategy, clear framework and processes for managing risk. Good governance also maintains and increases public confidence in the objectivity and fairness of financial and other reporting as well as helping to deliver improved services. It is important that local authorities have independent assurance about the mechanisms underpinning these aspects of governance.

3.2 It is recognised that high performing councils develop effective financial and non-financial control mechanisms. The development of expertise made available by the establishment of an Audit Committee, meeting on a regular cycle with a clearly defined work programme is a key part of these mechanisms.

The Committee's outline work programme is attached as **Appendix 1**. The work programme supports the Council's aim to improve its efficiency and effectiveness

4. **ROLE OF THE AUDIT COMMITTEE**

The purpose of an Audit Committee is to provide independent assurance on the adequacy of the governance and control environment, effectiveness of the Risk Management Framework, and to oversee the annual financial reporting process.

5. **BENEFITS OF THE AUDIT COMMITTEE**

The benefits to be gained from operating an effective Audit Committee are that it:

- raises greater awareness of the need for internal control and the implementation of audit recommendations;

- increases public confidence in the objectivity and fairness of financial and other reporting;
- reinforces the importance and independence of internal and external audit and any other similar review process eg providing a view on the Annual Governance Statement;
- provides additional assurance through a process of independent and objective review.

6. **GOVERNANCE ROLE**

The Audit Committee aims to improve corporate focus on governance by:

- providing assurance on the adequacy of the Risk Management Framework and the associated control environment;
- scrutinising the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment;
- overseeing the financial reporting process;
- approving the Council's Statement of Accounts;
- commenting on the scope and nature of external audit;
- overseeing proposed and actual changes to the Council's policies and procedures pertaining to governance

7. **LEGAL IMPLICATIONS**

An Audit Committee is not a legal requirement but its establishment reflects best practice and will reinforce the importance of probity, and performance and risk management within the Council and in relation to its partnership working.

8. **FINANCIAL IMPLICATIONS**

None

9. **BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION**

None

10. PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

Advice note from CIPFA Technical
Audit Committees – Practical Guidance for Local Authorities (CIPFA)

Tony Kirkham
Director of Strategic Finance

Author & Contact Colleague

Shail Shah - Head of Internal Audit

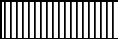


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UPDATED AUDIT COMMITTEE WORK PROGRAMME 2013/14

REPORT TITLE	MEETING ▷	29.11.13	28.02.14	25.04.14
	LEAD ▽			
Annual Governance Statement Mid Year Update	TK/SS			
Audit Committee Role & Annual Work Programme	TK/SS			
Counter Fraud Strategy	TK/SS			
EMSS Update	TK/SS			
Internal Audit Performance Report	TK/SS			
Internal Audit Reports Selected for Examination	TK/SS			
KPMG – Annual Audit Letter	KPMG			
KPMG – Regular update/statement of audit progress	KPMG			
KPMG – Specific and other inspectorate reports	KPMG			
LGO Annual Report	CR/TL/ LN			
Partnership Governance Framework	CR/LJ			
Risk Management Quarterly Report	TK/SB			
Risk Management Strategy/Framework	TK/SB			
Treasury Management Strategy & Key Issues Update	TK/JA			

KEY

	As required
	For approval
	Reviewing performance

CR	Claire Richmond
JA	Jeff Abbott
KPMG	External Auditor
LJ	Liz Jones
LN	Lynne North
SB	Simon Burton
SS	Shail Shah
TK	Tony Kirkham
TL	Tracy Laxton