

AUDIT COMMITTEE – 22 June 2018

Title of paper:		AUDIT COMMITTEE ANNUAL REPORT 2017/2018	
Director(s)/ Corporate Director(s):		Councillor Sarah Piper Chair of Audit Committee (2017/18)	Wards affected: All
Report author(s) and contact details:		Councillor Sarah Piper, Chair of Audit Committee (2017/18) Email: sarah.piper@nottinghamcity.gov.uk	
Other colleagues who have provided input:			
Recommendation(s):			
1	To note the work undertaken and approve the report in Appendix 1.		

1 REASONS FOR RECOMMENDATIONS

- 1.1 This report outlines the work undertaken by the Audit Committee in 2017/2018 and explains how the Committee has filled its designated role within the Constitution and how this work relates to its core responsibilities.

2 BACKGROUND

- 2.1 The Committee is a key component of corporate governance. CIPFA guidance for audit committees states that :
‘The purpose of an audit committee is to provide, to those charged with governance, independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes.’
Taking actions towards this purpose helps fulfil the statutory obligations of the Council under the Accounts and Audit Regulations 2015 and section 151 of the Local Government Act 1972
- 2.2 Whilst the Audit Committee exists partly to oversee proposed and actual changes to the council’s policies and procedures pertaining to governance, the executive and senior management have responsibility for implementing these arrangements. In order to support this the Committee has approved a strategy, clear frameworks and processes for managing risk.
- 2.3 Good governance maintains and increases public confidence in the objectivity and fairness of financial and other reporting, and service planning, delivery, and improvement. It is important that local authorities have independent assurance about the mechanisms underpinning these aspects of governance.
- 2.4 An effective audit committee both supports and challenges, and in doing so helps to raise the profile and effectiveness of internal control, risk management and financial reporting within the Council and should enhance public trust and confidence in the governance of the Council.
- 2.5 In order to demonstrate the effectiveness of the Committee and develop public trust, the Chair has produced this annual report in respect of its activities in 2017/2018. It aims to develop the Council’s commitment to improving corporate governance.

2.6 The report at Appendix 1 summarises the work undertaken by the Committee during 2017/2018, shows the topics it discussed and uses its Terms of Reference to demonstrate how it met its objectives and responsibilities. The report recognises the positive contributions of councillors and colleagues in the deliberations of the Committee and the positive effect the Committee has had on the Council's governance arrangements. The report categorises the work under the broad themes below :

- Assurance Statements and Governance;
- Risk Management;
- Performance Management and Value for Money;
- External Audit, Inspection and Assurance;
- Internal Audit and Counter Fraud; and
- Financial Reporting.

It also comments on the Committee's independence; and training and development.

2.5 The work undertaken is crosscutting, however, and the work covered in each theme is complimentary to that reported in the other themes.

2.6 CIPFA Guidance referred to in this paper and its Appendix is the guidance which was current in 2017-18 as shown below. It is acknowledged that this has been updated in late April 2018 and the Audit Committee will consider this guidance in due course.

3 BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING EXEMPT OR CONFIDENTIAL INFORMATION

3.1 None.

4 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

4.1 Accounts and Audit Regulations 2015

4.2 CIPFA Audit Committees Practical Guidance for Local Authorities and Police 2013

4.3 CIPFA Delivering Good Governance In Local Government – Guidance Notes for English Authorities 2016 Edition