

REPORT OF DIRECTOR OF RESOURCES

Portfolio: STRATEGIC LEADERSHIP

ROLE AND FUNCTION OF THE AUDIT COMMITTEE

1. SUMMARY

- 1.1 This Committee was established by the Council at its meeting on the 19th May 2006 with the membership being determined at that time for the 2006/07 Municipal Year.
- 1.2 Following the Municipal Elections in May 2007, the Council has appointed five new members to serve on the Committee out of the membership of six, together with an Independent Member.
- 1.3 As there is a lack of continuity in the membership of the Committee, with a new Chair and Vice Chair having been appointed, it may be timely to remind all Committee members what the Council has determined will be the role and function of the Committee.
- 1.4 The purpose of this report is therefore to appraise Members of the role and function of the Audit Committee, as approved by the Council.

2. RECOMMENDATION

- 2.1 That the role and functions of the Committee, as approved by the Council, be noted

3. DETAIL

- 3.1 The Council had been encouraged by the Audit Commission and the Chartered Institute of Public Finance and Accountancy (CIPFA) to establish an Audit Committee, and a detailed report was presented to Cabinet on 13th April 2006 (Minute CAB.179/05 refers), Standards Committee on 5th May 2006 (Minute ST.33/05 refers). Council on 19th May 2006 (Minute C.6/06 refers), subsequently agreed to the establishment of the Committee.
- 3.2 The Council agreed the role and functions of the Committee and these are attached at Appendix 1 to this report for information.

4. RESOURCE IMPLICATIONS

- 4.1 There are no resource implications arising from this report.

5. CONSULTATIONS

- 5.1 Advice and guidance was obtained from the Audit Commission and CIPFA as to the possible Role and Functions of an Audit Committee but it is ultimately for this Council to determine what it requires the Committee to undertake.

6. OTHER MATERIAL CONSIDERATIONS

6.1 *Links to Corporate Objectives/Values*

The purpose of identifying the Role and Function of this Committee is to ensure that the Council is:-

- *Being responsible with and accountable for public finances.*
- *Being open, accessible, equitable, fair and responsive.*

6.2 *Risk Management*

No material considerations have been identified.

6.3 *Health and Safety*

No additional implications have been identified.

6.4 *Equality and Diversity*

No material considerations have been identified.

6.5 *Legal and Constitutional*

There are no legal or constitutional issues arising from this report.

7. OVERVIEW AND SCRUTINY IMPLICATIONS

There are no Overview and Scrutiny implications.

Contact Officer: Harold Moses (Head of Financial Services)
Telephone: 01388-816166 Ext. 4385
E-Mail: hmoses@sedgefield.gov.uk

Ward(s): Not Ward Specific

Background Papers: The Implications of the Establishment of An Audit Committee:
- Report to Cabinet 13/4/06
- Report to Standards Committee 5/5/06
Establishment of an Audit Committee:
- Report to Council 19/5/06

Examination by Statutory Officers:

	Yes	Not Applicable
1. The report has been examined by the Council's Head of the Paid Service or his representative.	<input type="checkbox"/>	<input type="checkbox"/>
2. The content has been examined by the Council's S.151 Officer or his representative.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. The content has been examined by the Council's Monitoring Officer or his representative.	<input type="checkbox"/>	<input type="checkbox"/>
4. Management Team has approved the report.	<input type="checkbox"/>	<input type="checkbox"/>

ROLE AND FUNCTION OF THE AUDIT COMMITTEE

The Audit Committee will have the following role and functions:-

- (a) To consider the effectiveness of the Council's Risk Management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements. To report at least annually to Cabinet on the effectiveness of the Risk Management arrangements.
- (b) To seek assurances that action is being taken on risk related issues, identified by Auditors and Inspectors and Management.
- (c) To be satisfied that the Council's Assurance Statements, including the Statement of Internal Control, properly reflect the risk environment and any actions required to improve it.
- (d) To approve the Council's Internal Audit Strategy Plan, Annual Audit Plan and monitor performance against all associated plans
- (e) To review summary Internal Audit reports and the main issues arising and seek assurance that action has been taken where necessary.
- (f) To receive an Annual Report from the Head of Internal Audit.
- (g) To ensure that there are effective relationships between External and Internal Audit, Inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted.
- (h) To review financial statements, including the Council's Statement of Accounts, External Auditor's and other inspection agencies opinions and reports to Members and monitor management action in response to the issues raised by External Audit and other inspection agencies.
- (i) For the Chair and Vice-Chair to meet privately and separately at least once a year with the External Auditor and Head of Internal Audit.
- (j) To have the right to call any officers of the Council as required.
- (k) To consider performance and best value issues to the extent that they relate to the audit and control environment and risk management issues of the Council.

Note: For the purpose of these roles and functions 'Audit' relates to corporate issues, complaints, inquiries, financial probity and such other matters as may be decided by the Council.

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