

AUDIT COMMITTEE

30th June 2011



Review of the effectiveness of the Audit Committee - Update

Don McLure, Corporate Director Resources

Purpose of the Report

- 1 To present an action plan for agreement following the workshop held on 13 May 2011 to consider the results of the Audit Commission's SNAP (survey 'n' analysis package) Survey on the effectiveness of the audit committee.

Background

- 2 In accordance with best practice, the Committee has undertaken an annual review of its effectiveness. This year's review took the form of an on line anonymous survey developed by the Audit Commission.
- 3 The results of the survey, capturing feedback from 13 respondents, were reported and discussed in a workshop facilitated by the external auditor, drawing on his experience of the operation of audit committees elsewhere, on 13 May 2011.
- 4 The resultant key actions identified for improvement in the workshop are summarised in the action plan attached at Appendix 2.

Recommendations and Reasons

- 5 Members agree the required actions and target implementation dates set out in the action plan attached.

Contact: Avril Wallage, Manager of Internal Audit & Risk Tel 383 3537

Appendix 1: Implications

Finance

None

Staffing

None

Equality and Diversity

None

Accommodation

None

Crime and disorder

None

Human rights

None

Consultation

None

Procurement

None

Disability

None

Legal Implications

None

Action Plan for Improving the Effectiveness of the Audit Committee

Appendix 2

Area	Ref	Question Prompting Action	Action required	Support Officer Responsibility	Target Committee Meeting Consideration
Roles and Remits	1.	Does the Committee review the operational terms of reference (TOR) annually to take into account governance developments to ensure that its work is aligned with requirements	Review operational terms of reference and ensure annual review standard item in forward plan	Avril Wallage/Colette Longbottom	Sept 2011
	2.	The Committee has formally considered how its work integrates with the wider performance management and standards compliance processes	As above. In particular integration with Scrutiny/Standards needs to be clarified and reporting protocols agreed to avoid any duplication This links to the assurance mapping framework work currently in progress. Scrutiny valuable source of assurance for Audit Committee. Assurance Mapping Framework needs to be agreed by Full Council.	Avril Wallage/Colette Longbottom	Nov 2011
	3.	The Committee is clear how it fulfils its role.	Forward Plan of Committee Business to be agreed with links to TOR's	Avril Wallage	Sept 2011
	4.		Every report presented to Committee for consideration should clearly identify how it helps the Committee fulfils its terms of reference.		July 2011
Membership and Independence	5.	The Membership of the Committee is appropriate for its role.	Successive planning needs to be developed for co-opted members	Colette Longbottom	Nov 2011
	6.		Review how elected members are selected	Colette Longbottom	March 2012
	7.		Elected members involvement with other Committees should be recorded under declaration of interests at each meeting for the assistance of co-opted members	Colette Longbottom	July 2011
Induction and	8.	All members have of the Committee	Briefing/Induction Checklists for new	Avril	July 2011

training		have a clear understanding of what is expected from them in their role, including time commitments	members	Wallage/Colette Longbottom	
	9.		Training plan linked to forward plan	Avril Wallage/Colette Longbottom	November 2011
	10.	There is clarity on who is the lead officer to support the Committee	Decision needed as to whom is the lead officer and documented in TOR's	N/A	Sept 2011
	11.	The Committee benchmarks itself in some way against other audit committees	External/Internal Audit to brief committee on best practice and advise them of any external training that may be of assistance eg CIPFA/IIA	Avril Wallage/Catherine Banks	On-going
Risk Management	12.	The Committee has formally considered how it integrates with other committees that are reviewing risks, performance management and standards compliance	See 2 above.	Avril Wallage	
Internal Control	13.	The Committee is satisfied that the reports it receives allows them to discharge its internal control and risk management responsibilities	On going consideration.	Avril Wallage/David Marshall	On going
Internal Audit	14.	The Committee considers the independence and effectiveness of Internal Audit	A process is developed for reviewing the effectiveness of internal Audit.	Don McLure	Jan 2012
	15.	The Committee holds periodic private discussions with the Head of Internal Audit/External Auditor	Standard item to be added to each committee agenda for the Committee to be given the opportunity to discuss and exceptional items in private at the end of the meeting	Colette Longbottom	July 2011
External Audit	16.	The Committee assesses the independence and effectiveness of external audit	A process is developed for reviewing the effectiveness of external audit	Don McLure	Jan 2012