

By: Richard Long, Chairman of Governance and Audit Committee
Neeta Major, Head of Internal Audit

To: Governance and Audit Committee – 24 July 2014

Subject: **COMMITTEE WORK & MEMBER DEVELOPMENT PROGRAMME**

Classification: Unrestricted

Summary: This report provides an update on the forward Committee Work and Member Development programme and revised best practice guidance in relation to Audit Committees.

FOR DECISION

Introduction and background

1. In December 2013, CIPFA published updated best practice guidance on the function and operation of audit committees in Local Government. The guidance recommends that this Committee's work programme is designed to ensure that it can fulfil its terms of reference and that adequate arrangements are in place to support the Committee with relevant briefings and training. The revised guidance also emphasises the need for audit committees to ensure effectiveness through self-assessment which may identify additional training requirements.
2. This paper is a standing item on each agenda to allow Members to review the programme for the year ahead, and provide Members with the opportunity to identify any additional items that they would wish to include.

Current Work Programme

3. Appendix 1 shows the latest programme of work for the Committee, up to July 2015. The content of the programme is matched to the Committee Terms of Reference and aims to provide at least the minimum coverage necessary to meet the responsibilities set out. This doesn't preclude Members asking for additional items to be added during the course of the year.
4. The programme reflects requests made from previous Committee members for additional reports on specific items of interest.

Member Development Programme

5. Following the elections in May 2013, a series of training sessions was provided with an emphasis on topics that would assist Members newer to the Committee.

6. In 2013-2014 the following relevant training has been delivered through a combination of pre-meeting briefings and sessions delivered within the Member development programme:
- Introduction to Finance and how Local Government is funded
 - Business intelligence, Performance and Risk
 - Internal control and its role in preventing and detecting fraud and other risk exposures
 - Interpreting financial information
 - How to scrutinise the budget
 - The role and responsibilities of an effective audit committee
 - Financial Statements – what do they tell us?
 - The role and responsibilities of the external auditors
7. For 2014-15, the following sessions are proposed for pre-meeting briefings, focusing on areas that are of specific relevance to this committee.

Description	Timing
Audit Committee interactive update – CIPFA guidance and Public Sector Internal Audit Standards	October 2014
Local Audit Accountability Act 2014 – what are the key provisions and how will it change the way that Councils appoint external auditors?	January 2015
Annual Governance Statement – what assurance does it give us?	April 2015

8. In addition the Member Development programme will include training on different commissioning models including alternative service delivery models which was a direct request at the last audit committee meeting. A further programme of financial training delivered by Corporate Finance is also under current consideration.
9. Members may also ask for additional training if they require.

Audit Committees: Practical Guidance for Local Authorities

10. The latest guidance published in December 2013 outlines the core and potential functions of an audit committee and highlights factors which promote the committee's effectiveness. It provides an assessment tool which can help to evaluate the impact of the committee (**Appendix 2**). The guidance also

sets out a knowledge and skills framework for audit committee members and the committee chairman which can be used to identify additional training needs that may be desired by members (**Appendix 3**).

11. It is proposed that these evaluation tools are considered in the briefing session before the next meeting (referred to in paragraph 7 above) to identify any areas where further refinement to the committee's programme of work or arranged training sessions may be identified. This will enable the new Head of Internal Audit to tailor the programme accordingly.

Recommendations

12. It is recommended that Members approve the forward Committee Work (**Appendix 1**) and Member Development programme.
13. It is recommended that Members note for information the evaluation tools (**Appendices 2 and 3**) recently published by CIPFA which will be discussed at the briefing session prior to the next meeting.

Appendix 1 Committee work programme

Appendix 2 Evaluation tools from CIPFA guidance - *Audit Committees; Practical Guidance for Local authorities and Police 2013 Edition*

Neeta Major
Head of Internal Audit (X4664)

Category / Item	Owner	Jul - 14	Oct-14	Jan -15	Apr-15	Jul - 15
Secretariat						
Minutes of last meeting	AT	✓	✓	✓	✓	✓
Work Programme	NM	✓	✓	✓	✓	✓
Member Development Programme	NM	✓	✓	✓	✓	✓
Risk Management and Internal Control						
Corporate Risk Register	RH	✓		✓		✓
Review of the Risk Management Strategy, Policy and Programme	RH			✓		
Report on Insurance and Risk Activity	NV	✓				✓
Treasury Management quarterly report/six monthly review	NV		✓	✓	✓	
Treasury Management Annual Report	NV	✓				✓
Ombudsman Complaints	GW		✓			
Annual Complaints Report	DC		✓			
Update on Savings programme	AW		✓		✓	
Annual report on 'surveillance' activities carried out by KCC	MR				✓	
Corporate Governance						
Update on development of management guides	DW	If substantial changes to the approach or purpose of the management guides				
Annual review of Terms of Reference of G&A	NM			✓		
Debt Recovery	NV	✓		✓		✓
Annual review of the Council's Code of Corporate Governance	GW	If substantial changes to Code				
Review of Bribery Act Policy	GW	If changes to Policy				
Internal Audit						
Internal Audit Progress Report	NM		✓	✓	✓	
Schools Audit Annual Report	NM	✓				✓

Category / Item	Owner	Jul - 14	Oct-14	Jan -15	Apr-15	Jul - 15
Internal Audit Annual Report (including review of Charter)	NM	✓				✓
Internal Audit Strategy and Annual Plan	NM				✓	
External Audit						
External Audit Update	NM	✓	✓	✓	✓	✓
External Audit Findings Report	NM	✓				✓
Pension Fund Audit Findings Report	NM	✓				✓
Value for Money Report (formerly Financial Resilience Report)	NM	✓				✓
External Audit Annual Audit Letter	NM			✓		
External Audit Certification of Claims and Returns Report	NM				✓	
Effectiveness of Internal and External Audit Liaison	NM			✓		
External Audit Plan	NM				✓	
External Audit Pension Fund Plan	NM				✓	
External Audit Fee letter	NM				✓	
External Audit Fraud, Law & Regulations & Going Concern Considerations	AW				✓	
Financial Reporting						
Statement of Accounts & Annual Governance Statement	AW	✓				✓
Revised Accounting Policies	CH				✓	
Review of Financial Regulations	EF				✓	
Fraud						
Review of the Anti-fraud and anti-corruption Strategy	NM	✓				✓
Anti-Fraud and Corruption Progress Report	NM	✓	✓	✓	✓	✓