

Report of the Chief Auditor

Audit Committee – 24 April 2014

AUDIT COMMITTEE PERFORMANCE REVIEW

Purpose:	This report summarises the issues identified during the recent performance review undertaken by the Audit Committee using the CIPFA Self Assessment Checklist
Policy Framework:	None
Reason for Decision:	To allow the Audit Committee to confirm the issues it wishes to take forward to improve the performance and effectiveness of the Committee
Consultation:	Legal, Finance, Access to Services.
Recommendation(s):	It is recommended that: 1) the Committee agrees the issues to be taken forward arising from the performance review 2) a further review of performance takes place towards the end of the 2014/15 municipal year.
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1. Introduction

- 1.1 The Council has a statutory responsibility under the Local Government (Wales) Measure 2011 to have an Audit Committee which must include a lay member.
- 1.2 The Audit Committee in its current format met for the first time in December 2012 and following a full cycle of business, it was appropriate for the Committee to undertake a review of its effectiveness in meeting its role and the functions placed on it by the Council and the Local Government (Wales) Measure 2011.

1.3 A Self Assessment Checklist produced by CIPFA was used as the basis for the performance review. The Checklist was made available to all Committee members at the meeting on 20th June 2013 and the Audit Committee Performance Review appeared on the agenda of the meeting held on 27th February 2014.

2. Audit Committee Performance Review

2.1 The CIPFA Self Assessment Checklist covers the following areas

- Role and remit
- Membership, induction and training
- Meetings
- Internal control
- Financial reporting and regulatory matters
- Internal Audit
- External Audit
- Agenda management
- Papers
- Actions arising

2.2 The Audit Committee members were encouraged to complete the Checklist and a number were returned. The Committee discussed the Checklist and undertook a review of the Committee's performance at the meeting on 27th February 2014.

2.3 The overall outcome of the performance review was that the Audit Committee was generally performing well measured against the Checklist.

2.4 However, the performance review identified a small number of issues where improvements could be made to ensure that the Committee was following best practice.

2.5 The issues identified were

- **Terms of Reference** – the Audit Committee has terms of reference but they are not the same as the model terms of reference put forward by CIPFA in its Practical Guidance for Local Authority Audit Committees. The Committee felt that its terms of reference should be amended to those recommended by CIPFA
- **Annual Report** – the Audit Committee does not make a formal annual report to Council outlining its work and performance during the year. Similar reports are already produced for Scrutiny and the Standards Committee. The Committee felt that it should also produce an Annual Report to Council
- **Committee Members Training** – initial training was provided to the Audit Committee over a number of months following the initial

meeting of the Committee. However, this training has not been provided to the new members who have subsequently joined the Committee. The Committee felt that training should be provided to all new members of the Committee.

- **Risk Management** – the Local Government (Wales) Measure 2011 formally makes risk management a function of the Audit Committee. A number of presentations have been made to the Committee on Risk Management but the Committee felt that a structured approach was required to reporting Risk Management issues to the Committee. It was recognised that new arrangements are being put in place for the management of the Risk Management function within the Council which will hopefully address this issue.

2.6 An annual review of performance by the Audit Committee is a worthwhile exercise to ensure that it is fulfilling its role and to identify any learning points are identified and used to improve performance in future years.

3 Equality and Engagement Implications

3.1 There are no equality and engagement implications associated with this report

4. Financial Implications

4.1 There are no financial implications associated with this report.

5. Legal Implications

5.1 There are no legal implications associated with this report.

Background Papers: None

Appendices: None