



Report of the Chief Auditor

Audit Committee – 14 August 2018

Audit Committee Performance Review 2017/18 Draft Action Plan

Purpose:	This report details the proposed action plan to be implemented to address the key findings that came from the Audit Committee Performance Review 2017/18.
Policy Framework:	None
Consultation:	Legal, Finance and Access to Services
Recommendation(s):	It is recommended that Committee reviews and approves Audit Committee Performance Review Action Plan for 2017/18.
Report Authors:	Simon Cockings / Paula O'Connor
Finance Officer:	Simon Cockings
Legal Officer:	Tracey Meredith
Access to Services Officer:	Catherine Window

1. Introduction

- 1.1 The Audit Committee's annual performance review for 2017/18 was facilitated by the Wales Audit Office in June 2018. Eight members of the Audit Committee were present, including the Chair and Vice Chair. The Wales Audit Office auditors were asked by the Chair to note that a number of new Members were present at this meeting and therefore may be unable to respond to questions being asked.
- 1.2 Overall, the outcome of the Performance Review is that the Audit Committee judged the Committee positively with a range of 5.5-7.5 out of a score of 10 for six of the seven (CIPFA) Core Functions. The

Core Function 1 relating to understanding of the Council's assurance framework and risk scored at 3.6. Eleven key findings were raised by the Wales Audit Office for taking forward in 2018/19 that would further strengthen the effectiveness of the Audit Committee.

- 1.3 A summary of the key findings that came out of the performance review and the proposed actions that have been identified to address the key issues can be found in Appendix 1.

2. Equality and Engagement Implications

- 2.1 There are no equality and engagement implications associated with this report.

3. Financial Implications

- 3.1 There are no financial implications associated with this report.

4. Legal Implications

- 4.1 There are no legal implications associated with this report

Background Papers: None

**Appendix 1 – Key Findings & Proposed Actions from the Audit Committee
Performance Review 2017/18**

KEY FINDINGS & PROPOSED ACTION PLAN
AUDIT COMMITTEE PERFORMANCE REVIEW 2017/18

Key Finding	Proposed Actions	Target Date
<p>Assurance Framework – The Audit Committee needs clarity on the Council’s Assurance Framework.</p>	<p>Audit Committee to be provided with a report that outlines the governance and assurance arrangements operating across the Council.</p> <p>Lead Office: Chief Executive</p>	September 2018
<p>Risk Register – The Audit Committee needs to see the detail behind the Corporate Risk Register.</p>	<p>Corporate Risk Register to be reported to Audit Committee at future meetings.</p> <p>Lead Officer: Strategic Delivery & Performance Manager</p>	August 2018
<p>Annual Governance Statement (AGS) – The Audit Committee would like to see the AGS separated from the Annual Accounts and a draft copy sent to them for comment prior to approval.</p>	<p>Annual Governance Statement received at the July 2018 meeting and comments made by members. The Chair also met with Officers after the meeting to highlight further queries.</p> <p>The Annual Governance Statement to be brought back to Audit Committee as a second draft.</p> <p>Lead Officer: Head of Legal, Democratic Services & Business Intelligence</p>	September 2018
<p>Benchmarking – The Chair has provided benchmarking detail to Internal Audit (from other Councils) but there are no plans to visit and meet with other Audit Committees:</p> <p>i) Consider how to best use this benchmarking information.</p> <p>ii) Consider visits to other audit committees to search for good practice.</p>	<p>The Corporate Management Team will consider this further and update the Audit Committee.</p> <p>The Chair has asked for arrangements to be made to visit Cardiff Audit Committee.</p> <p>Lead Officer: Head of Democratic Services</p>	December 2018 September 2018
<p>Council Objectives – The Audit Committee would like to see the amount of over-run and deferred audits to be included in the AGS.</p>	<p>As noted above comments and queries will be progressed/actioned by the Head of Legal, Democratic Services & Business Intelligence and the Governance Group.</p> <p>Lead Officer: Head of Legal, Democratic Services & Business Intelligence</p>	September 2018
<p>Partnerships – Review the mechanisms for assessing and scrutinising the risk associated with partnerships.</p>	<p>Audit Committee to be provided with a report that outlines the mechanisms for assessing and scrutinising the risks associated with partnerships.</p> <p>Lead Officer: Chief Executive / Head of Legal, Democratic Services & Business Intelligence.</p>	December 2018

Key Finding	Proposed Actions	Target Date
<p>Reporting – produce a programme of expected external reports for Audit Committee to receive.</p>	<p>Known expected external reports will be added to the Audit Committee Work Programme.</p> <p>Lead Officer: Strategic Delivery & Performance Manager.</p>	<p>September 2018</p>
<p>Recommendations – produce a tracker for the recommendations that arise from the work of internal and external audit so that Audit Committee can effectively monitor progress.</p>	<p>Tracker for recommendations to be developed that will capture internal and external recommendations.</p> <p>To be discussed with Chief Auditor and Chief Finance Officer.</p> <p>Lead Officer: Chief Auditor, Chief Finance Officer</p>	<p>December 2018</p>
<p>Wales Audit Office (WAO) escalation process – clarify the process the WAO uses to escalate actions when recommendations have not been completed.</p>	<p>WAO to explain the process at the next Audit Committee Meeting.</p> <p>Lead: Wales Audit Office</p>	<p>September 2018</p>
<p>Meeting with WAO – consider who should attend meetings with the WAO as external auditor (just the Chair or the whole committee).</p>	<p>To be discussed by Committee.</p> <p>Lead: Chair of the Audit Committee</p>	<p>September 2018</p>