

AUDIT COMMITTEE	AGENDA ITEM No. 8
16 MARCH 2014	PUBLIC REPORT

Cabinet Member(s) responsible:	Councillor Seaton, Cabinet Member for Resources	
Committee Member(s) responsible:	Councillor Lee, Chairman of Audit Committee	
Contact Officer(s):	Karen S Dunleavy, Governance Officer	☎ 452233

DRAFT ANNUAL AUDIT COMMITTEE REPORT

R E C O M M E N D A T I O N S	
FROM : Kim Sawyer, Director of Governance	Deadline date : N/A
Audit Committee are asked to approve the draft Annual Audit Committee Report for submission to Council as shown in Appendix 1.	

1. ORIGIN OF REPORT

- 1.1 This report is submitted to Audit Committee in line with the agreed Work Programme for the Municipal Year 2014 / 2015.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The Audit Committee has been in operation since Annual Council in May 2006 (first meeting June 2006). The Committee has a wide ranging remit that underpins the Council's governance processes by providing independent challenge and assurance of the adequacy of risk management, internal control including internal audit, anti-fraud and the financial reporting framework. These are shown in its terms of reference.

- 2.2 **Best practice recommended by relevant professional bodies is that audit committees should produce an annual report** which details the work of the Committee for the Municipal Year, and sets out its plans for the future building on the lessons learnt.

- 2.3 This report is for Committee to consider under its Terms of Reference:

- 2.2.1.16 To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.

3. TIMESCALE

Is this a Major Policy Item / Statutory Plan?	NO	If Yes, date for relevant Cabinet Meeting	N/A
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4. DRAFT ANNUAL REPORT

- 4.1 Audit Committee Members have been issued with an Audit Committee Handbook which identifies all the key activities and work delivered through the Committee. Best practice within this publication establishes a need to highlight to a wider audience the works undertaken by the Committee and to enhance its profile across the organisation. Following new guidance issued in January 2014 the Handbook has been revised.

- 4.2 The attached Draft Annual Report has been produced (**Appendix 1**). The report shows:
- Background to the Committee, its roles, responsibilities and membership;
 - An overview and coverage of its remit including Internal Audit, Accounts and Financial Management, External Audit, Risk Management, Control Assurance, Corporate Governance, and Fraud and Irregularities; and
 - Training provided to ensure that suitable challenge and scrutiny is adopted.

5. ANTICIPATED OUTCOMES

- 5.1 Publication of the report will enable the public to gain an insight into the role of the Committee and will ensure that the Committee can continue to progress and develop in the future. The City Council continues to evolve its Audit Committee in line with best practice to provide effective challenge to the governance arrangements adopted.
- 5.2 Subject to approval by Audit Committee, it is intended to present the report to Council for noting as part of the Committee's annual update in order to demonstrate the work carried out to improve the governance arrangements across the Council.

6. REASONS FOR RECOMMENDATIONS

- 6.1 To seek endorsement from Members that the Committee is delivering against its terms of reference and provided effective challenge to the organisation.

7. ALTERNATIVE OPTIONS CONSIDERED

- 7.1 None required at this stage.

8. IMPLICATIONS

- 8.1 This report contains no specific financial implications.

9. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985)

- 9.1 Draft Audit Committee Annual Report

10. APPENDICES

- 10.1 Appendix 1 - Draft Audit Committee Annual Report