

**TELFORD & WREKIN COUNCIL**

**AUDIT COMMITTEE 29th JANUARY 2013**

**REVIEW OF THE EFFECTIVENESS OF THE AUDIT COMMITTEE 2012/13**

**REPORT OF THE AUDIT & INFORMATION GOVERNANCE MANAGER**

**1 PURPOSE**

1.1 For members of the Audit Committee to:

- a) agree the survey to measure the effectiveness of the Audit Committee; and
- b) agree that the results of the survey will be reported to the Audit Committee on 26<sup>th</sup> March 2013.

**2 RECOMMENDATIONS**

2.1 That Members agree the survey attached as Appendix A and to issue it to those outlined in paragraph 5.2 to measure the effectiveness of the Audit Committee; and

2.2 That Members agree that the results of the effectiveness survey will be presented to the March 2013 Audit Committee.

**3 SUMMARY**

3.1 The last survey was undertaken in February 2012 to review the effectiveness of the Audit Committee. No survey was undertaken in 2011 due to the impending Borough Elections.

3.2 It is good practice for the Council and helps it to demonstrate good governance by measuring and reporting on the effectiveness of the Audit Committee.

**4 PREVIOUS MINUTES**

4.1 Audit Committees 2<sup>nd</sup> February 2010, 1<sup>st</sup> February 2011 and 31<sup>st</sup> January 2012

**5 BACKGROUND**

5.1 It is proposed to use the same survey as was used in February 2012 to review the effectiveness of the Audit Committee for 2012/13. This will enable comparisons with previous years to be made. The proposed survey is attached as Appendix A.

5.2 It is proposed that the survey should be issued to and completed by the end of February 2013 by the following officers and Members:

- a) Members of the Audit Committee;
- b) The Leader, Cllrs Richard Overton and Bill McClements – relevant Cabinet Members;
- c) Managing Director, Chief Financial Officer (Assistant Director – Finance, Audit & IG), Monitoring Officer (Assistant Director – Law, Democracy & Public Protection) and the Audit & IG Manager;
- d) Assistant Directors/other officers who have attended the Committee in the last 12 months; and
- e) the External Auditor (KPMG).

- 5.3 The analysis of the effectiveness survey will assist the Committee in discussions about any weaknesses and areas for development/training.

## **6 OTHER CONSIDERATIONS**

| <b>AREA</b>                     | <b>COMMENTS</b>  |
|---------------------------------|--|
| Equal Opportunities             | The review and skills audit should ensure Equality of Opportunity for all those completing them.   |
| Environmental Impact            | None   |
| Legal Implications              | (i) The Council are a relevant body within the meaning of the Accounts and Audit (England) Regulations 2011 and therefore must comply with the requirements set out in the Regulations. This includes, at Regulation 4 (2), a requirement for an annual review of the effectiveness of its system of internal control. The effectiveness of the Audit Committee survey within recommendation 2.1 will contribute towards meeting this requirement as the Audit Committee is part of the Council's system of internal control. The findings of the effectiveness review must come back to this Committee following which the Council must approve its annual governance statement. This will be undertaken by the Committee in accordance with its powers, functions and responsibilities as set out in Section 4, part 10 of the Council's Constitution.<br>(ii) Regulation 6 (3) sets out an annual requirement for a review of the effectiveness of the Council's internal audit. The method of compliance with both these requirements is not specified and therefore is a matter for the Council to determine. |
| Links with Corporate Priorities | An effective Audit Committee supports the Council's good governance arrangements encompassing the internal control and internal audit arrangements.  |
| Opportunities and Risks         | Reviewing the effectiveness of the Audit Committee supports the effective management of risks and opportunities across the Council.<br>The Audit Committee challenges and seeks assurances that the risk management processes are working effectively.   |
| Financial Implications          | Any costs associated with the distribution and analysis of the survey will be met from within existing budgets. Any additional costs arising from development/training will also have to be met from within existing cash limited budgets.   |
| Ward Implications               | None.  |

## **7 BACKGROUND PAPERS**

The Accounts and Audit (England) Regulations 2011  
Previous surveys audit reports to Audit Committee

Report by Jenny Marriott, Audit & Information Governance Manager 383101