

TELFORD & WREKIN COUNCIL

AUDIT COMMITTEE 26th JANUARY 2016

REVIEW OF THE EFFECTIVENESS OF THE AUDIT COMMITTEE 2015/16

REPORT OF THE INTERNAL AUDIT, IG & INSURANCE SERVICES SDM

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 in June 2016.

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 June 2016 Audit Committee.

3 SUMMARY

3.1 The last survey to review the effectiveness of the Audit Committee was undertaken in February 2013. A decision was made by the Audit Committee in January 2014 to undertake the surveys bi-annually but to postpone the next survey until after the Council's elections in May 2015.

3.2 It is good practice for the Council and the Committee to review its effectiveness as it helps to demonstrate good governance by measuring and reporting on its effectiveness including the identification of any improvement areas.

4 PREVIOUS MINUTES

4.1 Audit Committees 2nd February 2010, 1st February 2011 and 31st January 2012, 29th January 2013 and 28th January 2014.

5 BACKGROUND

5.1 It is proposed to use the survey attached as Appendix A. This will enable comparisons with previous years to be made.

5.2 It is proposed that the survey should be issued to and completed by the end of February 2016 by the following officers and Members:

- a) Members of the Audit Committee;
- b) The Leader, Cllrs Richard Overton and Lee Carter – relevant Cabinet Members;
- c) Managing Director, Chief Financial Officer (Assistant Director – Finance & Human Resources), Monitoring Officer (Assistant Director – Legal, Procurement & Commissioning) and the Internal Audit, IG and Insurance Services SDM;
- d) Directors/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

AREA	COMMENTS
Equal Opportunities	The review and skills audit should ensure Equality of Opportunity for all those completing them.
Environmental Impact	None
Legal Implications	<p>The Council are a relevant body within the meaning of the Accounts and Audit Regulations 2015 and therefore must comply with the requirements set out in the Regulations. This includes, at Regulation 6, 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 2 of the Council's Constitution at the Audit Committee Terms of Reference section, paragraph 19.</p> <p>The method of compliance with both these requirements is not specified and therefore is a matter for the Council to determine.</p>
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	<p>Reviewing the effectiveness of the Audit Committee supports the effective management of risks and opportunities across the Council.</p> <p>The Audit Committee challenges and seeks assurances that the risk management processes are working effectively.</p>
Financial Implications	Any costs associated with the distribution and analysis of the survey will be met from within existing budgets. Any additional costs identified from the survey such as development or training will also have to be met from within existing cash limited budgets.
Ward Implications	None.

7 BACKGROUND PAPERS

The Accounts and Audit Regulations 2015
 Previous surveys audit reports to Audit Committee

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