

## Summary Sheet

### Council Report:

Audit Committee

### Title:

Audit Committee Prospectus 2016/17

### Is this a Key Decision and has it been included on the Forward Plan?

No

### Strategic Director Approving Submission of the Report:

Judith Badger (*Director of Finance and Customer Services*)

### Report Author(s):

Colin Earl (*Assistant Director Audit, ICT and Procurement*)

### Ward(s) Affected:

None

### Executive Summary:

This report presents to the Audit Committee a draft 2016/17 Prospectus for agreement. The Prospectus outlines the Audit Committee's objectives, how the Committee will operate and how it will deliver its objectives through its workplan, which is scheduled in the Prospectus.

The Prospectus highlights key activities to be carried out in relation to risk management, corporate governance, accounting and internal and external audit.

### Recommendation:

**The Audit Committee is asked to agree the 2016/17 Prospectus.**

### Background Papers:

none

### Consideration by any other Council Committee, Scrutiny or Advisory Panel:

No

### Council Approval Required:

No

### Exempt from the Press and Public:

No

**Title:**

Audit Committee Prospectus 2016/17

**1. Recommendations**

**1.1 The Audit Committee is asked to agree the 2016/17 Prospectus.**

**2. Background**

2.1 The Audit Committee produces an annual Prospectus setting out the scope of its work, the standards it adheres to and its work programme for the year. This report refers to the 2016/17 Prospectus, which is attached at **Appendix A**.

**3. Details**

3.1 Local Government Audit Committees should comply with the Chartered Institute of Public Finance and Accountancy's Position Statement and Practical Guidance for Audit Committees. The scope of the Audit Committee's responsibilities and its workplan, set out in the Prospectus, are designed to ensure the Committee meets the CIPFA standards.

3.2 Key Audit Committee activities, reflected in the Prospectus, include:

- Satisfying itself and others that the Annual Governance Statement reflects the Council's arrangements and position; for 2016/17 this will include the refresh of the Local Code of Corporate Governance.
- Monitoring the effectiveness of the internal control environment and assurances obtained about its operation.
- Ensuring Internal Audit is independent and effective.
- Reviewing the Council's arrangements for managing the risk of fraud.
- Reviewing the external auditor's annual audit plan and ensuring it is consistent with the scope of the audit engagement.
- Reviewing the findings of the external auditor's work
- Reviewing the financial statements and the external auditor's opinion on the statements
- Considering external audit and inspection recommendations and ensuring these are fully responded to.
- Reviewing and monitoring treasury management arrangements.

3.4 An Audit Committee Annual Report will be produced at the end of the year summarising actual work done and activities undertaken, and demonstrating compliance with standards and fulfilment of the Committee's responsibilities..

**4. Options considered and recommended proposal**

4.1 The development of a Prospectus was conceived in 2015 through discussion with Commissioner Sir Derek Myers. The 2015/16 Prospectus was a helpful guiding document for the Committee itself and other stakeholders with an interest in the Committee's activities. It is considered relevant to produce a Prospectus covering the 2016/17 municipal year.

## **5. Consultation**

- 5.1 Relevant officers, including the Strategic Director of Finance and Customer Services, have been consulted in producing the Prospectus.

## **6. Timetable and Accountability for Implementing this Decision**

- 6.1 The Prospectus includes a schedule of reports to be presented to the Audit Committee at each of its meetings during the year. Various reports have to be presented at specified meetings in order to comply with statutory requirements (for example relating to the statement of accounts and annual governance statement).

## **7. Financial and Procurement Implications**

- 7.1 There are no financial or procurement issues arising from this report.

## **8. Legal Implications**

- 8.1 There are no direct legal implications associated with this report.

## **9. Implications for Children and Young People and Vulnerable Adults**

- 9.1 The Audit Committee reviews the management of risks across the Council including relating to Children's and Adult Services. Review of the management of risks helps to ensure the risks are mitigated.

## **10. Equalities and Human Rights Implications**

- 10.1 There are no immediate equalities or HR implications associated with the proposals.

## **11. Implications for Partners and Other Directorates**

- 11.1 Partners will be able to take assurance on the Control's application of governance controls and management of risks from the work of the Audit Committee. The Audit Committee hosts meetings twice-yearly to consider partners' risks and control frameworks

## **12. Risks and Mitigation**

- 12.1 The Audit Committee aims to comply with standards established by the Chartered Institute of Public Finance and Accountancy (CIPFA). The maintenance of a workplan is consistent with the CIPFA standards. The production of a workplan also helps the Audit Committee to ensure it achieves its terms of reference.

## **13. Accountable Officer(s)**

- Colin Earl (Assistant Director Audit, ICT and Procurement).