

Committee: AUDIT AND REVIEW

Date: 3 AUGUST 2007

**Report: AUDIT COMMITTEES – PRACTICAL GUIDANCE FOR LOCAL
AUTHORITIES**

Purpose of the Report

1. To assess the effectiveness of the Audit and Review Committee in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) Guidance: Audit Committees – Practical Guidance for Local Authorities.

Strategic Planning Framework

2. The information and recommendations contained in this report are consistent with the Authority's statutory purposes and its approved strategic planning framework, and in particular its objective 'to manage all aspects of the Authority's business so as to make the most effective use of our resources' (Best Value Performance Plan).

Introduction

3. The Audit Commission have recommended that the Authority undertakes a review of its Audit and Review Committee in line with the CIPFA guidance published in 2005.

Review of the Audit Committee

4. The CIPFA Guidance recommends the use of a Self Assessment Checklist and a copy of this completed for this Authority is attached as an **Appendix** to this report.

5. This has been completed in draft by Officers and Members are invited to comment on the attached checklist and amend if necessary. If Members would like to see a copy of the Guidance in full this can be reviewed in advance of the meeting by request and will be made available at the meeting. Officers considered whether it would be appropriate to provide all members with a copy but it is subject to copyright law and can only be obtained from CIPFA the costs of which outweighed the benefits.

6. The Appendix includes further information where the response to the question is 'No' and also suggests areas where it may be appropriate to change current practice in line with the guidance.

RECOMMENDATION

7. Members are invited to comment on the completed Self Assessment checklist, and to approve amendments as considered appropriate.

Irene Brannon
Senior Finance Officer

4 January 2007

Background documents: Audit Committees: Practical Guidance for Local Authorities

Appendix

Issue	Yes	No	N/A	Comment
Terms of Reference				
Have the committee's terms of reference been approved by full Authority?	✓			
Do the terms of reference follow the CIPFA Model?	✓			
Internal Audit Process				
Does the Committee approve the strategic audit approach and the annual programme?	✓			
Is the work of internal audit reviewed regularly?	✓			
Are summaries of quality questionnaires from managers reviewed?		✓		These questionnaires are currently used by NYCC for internal performance monitoring only. However, in the future arrangements could be made to share this information with the committee members in order to comply with Best Practice.
Is the annual report, from the head of audit, presented to the Committee?		✓		The Chief Internal Auditor's representative attends and presents each individual Final Report to the Committee and as a result it is not considered necessary to present a summary report.
External Audit Process				
Are the reports on the work of external audit and other inspection agencies presented to the committee?	✓			
Does the committee input into the external audit programme?	✓			
Does the committee ensure that officers are acting on and monitoring action taken to implement	✓			

Issue	Yes	No	N/A	Comment
recommendations?				
Does the committee take a role in overseeing: <ul style="list-style-type: none"> • Risk management strategies • Internal control statements • Anti- fraud arrangements • Whistle-blowing strategies? 	 ✓ ✓ ✓ ✓			
Membership				
Has membership of the committee been formally agreed and a quorum set?	✓			
Is the chair free of executive or scrutiny functions?	✓			
Are members sufficiently independent of other key committees of the Authority?	✓			
Have all members' skills and experiences been assessed and training given for identified gaps?	✓			
Can the committee access other committees as necessary?	✓			
Meetings				
Does the committee meet regularly?	✓			
Are separate, private meetings held with the external auditor and the internal auditor?		✓		Following discussion with the Internal Audit Service it may be appropriate to consider an annual private meeting with the full committee in order to comply with best practice.
Are meetings free and open without political influences being displayed?	✓			
Are decisions reached	✓			

Issue	Yes	No	N/A	Comment
promptly?				
Are agenda papers circulated in advance of meetings to allow adequate preparation by members?	✓			
Does the committee have the benefit of attendance of appropriate officers at its meetings?	✓			
Training				
Is induction training provided to members?	✓			
Is more advanced training available as required?	✓			
Administration				
Does the authority's s151 officer or deputy attend all meetings?		✓		A representative of the s151 officer attends meetings as required.
Are the key officers available to support the committee?	✓			