

Audit Committee: Self-Assessment checklist

AUDIT COMMITTEE

Date: 22nd April 2008

Author: Head of Internal Audit

Wards Affected: None

Purpose

To ensure that the self-assessment attached reflect accurately Members' comments from the previous meeting.

Recommendation

- It is recommended that Members ensure that the self-assessment accurately reflects the Committee's comments made at the previous meeting.
- Agree actions that need to be taken as a result of the self-assessment.

1 Reasons

- 1.1 It is important to ensure that the Council has a sufficiently independent and effective Audit Committee that follows best practice. Audit Committees are a key component of corporate governance. They are a key source of assurance about the organisation's arrangements for managing risk, maintaining an effective control environment, and reporting on financial and non-financial performance.

2 Detail

Background

- 2.1 Audit Committees are not just the concern of auditors; they are about the governance, financial reporting and financial performance of the whole authority.
- 2.2 Effective corporate governance depends, in part, on a systematic strategy, framework and processes for managing risk. Governance is also about increasing public confidence in the objectivity and fairness of financial and other reporting. This in turn depends upon assurances that issues raised in preparing and auditing annual accounts and other reports have been dealt with. It is important that local authorities have independent assurance about the mechanisms underpinning these aspects of governance.

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- 2.3 The existence of an independent and effective audit committee helps to convey to staff and to the public the importance Members and Directors attach to internal control.
- 2.4 Swindon BC has an independent Audit Committee that has adopted a set of terms of reference that reflected best practice at that time. However, it is important that the Committee ensures that it continues to adopt best practice.
- 2.5 The Audit Committee reviewed itself against the checklist at its meeting in March 2008. Action points have been identified as follows:
- An Annual Report will be produced for the Audit Committee for 2007/08 and subsequent years.
 - An appropriate induction is developed for new Audit Committee members.
 - Members' skills and experiences be assessed and training given for identified gaps
 - Audit Committee's terms of reference to be amended to include that the Committee 'should meet at least four times a year, with additional meetings to be scheduled in to accommodate the Authority's business needs.
 - That the Audit Committee formally reviews the performance of the Council's External Auditor.

Alternative Options

Not Applicable

Risk Management

Financial and Procurement Implications

There are no direct financial implications arising from this report however individual audit reports address the suitability of internal controls within the systems examined.

Legal/Human Rights Implications

Internal Audit is a statutory requirement of the Accounts and Audit Regulations 2003. The Internal Audit service also provides assurance to the Director of Finance regarding the requirements of Section 151 of the Local Government Act 1972.

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Links to Corporate Plans and Policies (in particular to Swindon 2010 Promises)

Internal Control, Audit Committee and the Statement on Internal Control all feature significantly in the CPA Use of Resources Assessment.

Effective systems of internal control within the Council will help to ensure that the objectives set out in the Corporate Plan and Swindon 2010 are achieved.

Consultees

The Director of Finance (Section 151 Officer) and the Director of Law and Democratic Services (Monitoring Officer) are consulted on all reports.

Appendices / Background papers

Appendix 1: Self-Assessment Checklist

Key Decision/Decision in Forward Plan

Not Applicable