
Meeting	Audit Committee
Date	29 th April 2014
Subject	Work Programme for 2014/15
Report of	Assurance Director
Summary	To propose a work programme for the Audit Committee for the next twelve months.

Officer Contributors	Maryellen Salter, Assurance Director
Status (public or exempt)	Public
Wards Affected	None
Key Decision	No
Reason for urgency / exemption from call-in	Not applicable
Function of	Council
Enclosures	Appendix A – Work Programme 2014/15
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1. RECOMMENDATIONS

- 1.1 That the programme of work for the Committee as set out in Appendix A be approved.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 The Audit Committee reviews its work plan against its terms of reference on an annual basis; the last decision in relation to this matter was 8th April 2013. Previously the Audit Committee decided that training would be provided as and when requested.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The Audit Committee provides the Council with independent assurance and effective challenge and, therefore, the Committee is central to the provision of effective governance.

4. RISK MANAGEMENT ISSUES

- 4.1 The Terms of Reference for the Audit Committee in the Constitution defines the purpose of the Audit Committee as :-

“to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority’s financial and non-financial performance to the extent that it affects the authority’s exposure to risk and weakens the control environment, and to oversee the financial reporting process.”

- 4.2 Without a forward work plan there is a risk that the Audit Committee may not effectively discharge its responsibilities under the Constitution.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 Pursuant to section 149 of the Equality Act, 2010, the council has a public sector duty to have due regard to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between those with a protected characteristic and those without; promoting good relations between those with a protected characteristic and those without. The, relevant, ‘protected characteristics’ are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. It also covers marriage and civil partnership with regard to elimination discrimination
- 5.2 Effective systems of audit, internal control and corporate governance provide assurance on the effective allocation of resources and quality of service provision for the benefit of the entire community.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

6.1 Delivering the core functions of an Audit Committee contribute to effective systems of internal control. The Audit Committee's work includes providing assurance on the council's arrangements for:

- risk management;
- maintaining effective internal control; and
- reporting on financial and other performance.

In addition, by the Audit Committee monitoring progress against any actions to address significant internal control concerns effectively this can lead to better use of resources and a positive culture of improvement within the Council.

7. LEGAL ISSUES

7.1 The Accounts and Audit (England) Regulations 2011, impose obligations upon the council to, amongst other things, prepare, approve and publish a Statement of Accounts by the 30th September 2014. The 2007, CIPFA/SOLACE Framework document introduced a requirement upon local authorities to prepare an Annual Governance Statement ("AGS").

8. CONSTITUTIONAL POWERS

8.1 The Audit Committee's terms of reference are noted in the Council's Constitution (Responsibility for Functions).

9. BACKGROUND INFORMATION

9.1 During the year the Constitution, Ethics and Probity Committee met and has agreed the following changes to the Audit Committee's terms of reference:

- Addition of responsibilities for Anti-Fraud work:
 - To monitor the effective development and operation of the Council's Corporate Anti-Fraud Team (CAFT)
 - To consider the anti-fraud strategy, annual anti-fraud work plan and CAFT Annual Report.
 - To consider regular anti-fraud progress reports and summaries of specific fraud issues and investigation outcomes.
 - To monitor the Council's Counter Fraud framework and policies within and recommend their application across the Council.
- Removal of the out-dated aspect of the Constitution in relation to Corporate Anti-Fraud work: "to monitor Council policies on 'Raising Concerns at Work' and the anti-fraud and anti-corruption strategy and the Council's complaints process".

9.2 It is a requirement of the terms of reference that the Audit Committee should receive a report outlining an annual work programme. This work programme for 2014/15 is based on having the following four meetings to deal with reports:

July 2014
 November 2014
 January 2015
 April 2015

9.3 Attached at Appendix A is a summary of the terms of reference, indicating the reports that it is felt appropriate for the Committee to consider in discharging its responsibilities. It also shows the months in which these reports should be considered, some of which are dictated by statutory deadlines, e.g. the statement of accounts must be approved prior to the end of September, along with the Annual Governance Statement.

9.4 Based on this, the Audit Committee should consider the following reports at the appropriate times:-

Meeting	Items
July 2014	<p><i>Standing Agenda Items:</i></p> <ul style="list-style-type: none"> • Internal Audit Progress Report & Exception Recommendations Report • External Audit Progress Report - verbal (if any) • CAFT Quarterly Report <p><i>Annual Reports</i></p> <ul style="list-style-type: none"> • Internal Audit Annual Report • Annual Report of Audit Committee <p><i>Regulatory Framework</i></p> <ul style="list-style-type: none"> • Risk Management Policy Statement and Strategy revision <p><i>Statutory Requirements</i></p> <ul style="list-style-type: none"> • Audited Statement of Accounts • Annual Governance Statement • Report to those charged with Governance (ISA260) Report (External Audit)
November 2014	<p><i>Standing Agenda Items:</i></p> <ul style="list-style-type: none"> • Internal Audit and Risk Management Progress Report & Exception Recommendations Report • External Audit Progress Report (if any) • CAFT quarterly Report <p><i>Anti-Fraud Activity</i></p> <p>Counter Fraud Framework Update</p>
January 2015	<p><i>Standing Agenda Items:</i></p> <ul style="list-style-type: none"> • Internal Audit Progress Report & Exception Recommendations Report • External Audit Progress Report (if any) • CAFT Quarterly Report <p><i>External Audit:</i></p>

	<ul style="list-style-type: none"> • Grants Report • Annual Audit Letter
April 2015	<p><i>Standing Agenda Items:</i></p> <ul style="list-style-type: none"> • Internal Audit Progress Report & Exception Recommendations Report • External Audit Progress Report (if any) <p><i>Internal Audit & Risk Management:</i></p> <ul style="list-style-type: none"> • Internal Audit and CAFT Annual Plan and Strategy, and Risk Management Approach <p><i>Annual Reports</i></p> <ul style="list-style-type: none"> • Internal Audit Annual Report • Corporate Anti-Fraud Team (CAFT) Annual Report <p><i>External Audit</i></p> <ul style="list-style-type: none"> • Annual Audit Plan <p><i>Other</i></p> <ul style="list-style-type: none"> • Setting work plan
As & When	<ul style="list-style-type: none"> • Matters referred by the Chief Executive, Directors, Chief Finance Officer • Other reports agreed with Internal and External Audit

9.5 As previously agreed, it is good practice for the Chairman, Vice-Chairman and key officers to meet between Audit Committee meetings to review the agenda and progress with reports. This would enable the reports to focus on the key issues for the Committees attention. The Chairman and Vice Chair should also meet privately with External and Internal Audit throughout the year.

9.6 The Audit Committee agreed at a previous meeting that it should have access to reports from inspection agencies about the Council's financial management and governance, to provide a source of assurance and to compare with any relevant Internal and External Audit reports. It is also acknowledged the need to monitor management action arising from such reports. It was agreed, however, that these reports would not ordinarily be considered as agenda items at the Audit Committee other than in exceptional circumstances, and that these reports would just be circulated to Members of the Committee by way of background material.

9.7 During 2013/14 no supplementary training was agreed outside of that available to Members generally as this was to be determined at each meeting. As the Election is pending it is anticipated that sessions will be run in June/July by internal and external audit, CAFT and risk management regarding their roles and the role of the Audit Committee.

10. LIST OF BACKGROUND PAPERS

10.1 None.

Cleared by Finance (Officer's initials)	JH
Cleared by Legal (Officer's initials)	CE