

Chairs Report of the Audit & Risk Committee – 21 July 2014

Prior to the committee meeting of the 21 July 2014 members of the Audit & Risk Committee received training on the 16 July 2014. Training was delivered internally by officers and related to the role and function of the committee and an overview of the Statement of Accounts.

The meeting held on the 21 July 2014 was the first meeting of the committee in the current municipal year and it received 13 reports.

Committee members were reminded of the Terms of Reference and also provided with a copy of the work plan for the forthcoming year.

Health and Safety Annual Report April 2013 – March 2014 provided the committee with an update on the progress that had been made during the previous year, most notable was the completion of a large amount of training in respect of Health and Safety and a revision of the Corporate Health and Safety Policy.

The Council's External Auditors, Grant Thornton provided an update to the committee with regards to their responsibilities as external auditors and progress with regards to their audit on the statement of accounts. In addition they presented a report with regards to the audit fees for 2014/15 which will remain the same as the previous year.

Members of the Committee were then asked to approve the Risk Management Policy and Strategy for 2014/15, the current policy had been reviewed and updated to reflect the new corporate priorities.

The committee received the Annual Treasury Report in relation to 2013/14 as included on tonight's Council Agenda. In accordance with CIPFA best practice Treasury Management reports are presented to committee twice yearly to inform members of the council's treasury management activities.

The Council's draft statement of accounts for 2013/14 was presented to the committee for consideration. At the time of being presented to the committee the statement of accounts were in the process of being audited. The finalised statement of accounts will be submitted to the committee for formal scrutiny and approval at the next meeting of the committee which is scheduled for the 29 September 2014.

A number of reports were then submitted by the Audit Manager which included the following;

Quarterly Report – Adoption of Internal Audit High Risk Recommendations and summary of Assurance for Quarter 4 2013-14 – this provided assurance to the committee with regards to the implementation of audit recommendations across the council and that there were no issues or areas of concern.

Annual Report of the Internal Audit Service 2013-14 – this report provided a summary of the work undertaken by Internal Audit during 2013-14 and detailed the outturn performance indicators for year. It was reported that 92% of the Audit Plan had been completed, productivity of the section was good at 79% and that 89% of the recommendations made had been implemented.

Review of the Effectiveness of the Audit committee 2013-14 – in order to demonstrate good governance it is important that the Council is able to demonstrate that it has an effective audit committee. The report provided the results of the self-assessment that had been completed using the CIPFA best practice guidance. Evidence used to demonstrate the effectiveness was made available to members on the members' website. The report concluded that the audit committee was effective and could be relied upon when considering the Annual Governance Statement for 2013-14.

Review of the Effectiveness of the System of Internal Audit 2013-14 – this report provided members with details of a self-assessment that had been completed against the Public Sector Internal Audit Standards (PSIAS). Under the Accounts and Audit Regulations 2011 the Council is required to undertake an annual review of the effectiveness of Internal Audit and the PSIAS provides a detailed checklist to demonstrate compliance with this. This was the first year that the PSIAS had been introduced and used for this purpose. In completing the first assessment there are a number of new requirements that need to be developed and an action plan detailing these was presented to members alongside the report. In addition evidence to demonstrate compliance was made available to members via the members' website.

The Annual Governance Statement 2013-14 - the production of the annual governance statement is reliant on the availability of relevant and reliable evidence, part of which refers to the reports detailed above. This report detailed the work that had been undertaken in order to produce the annual governance statement (AGS). Under the Accounts and Audit Regulations we are required to publish an AGS alongside the Statement of Accounts and it is used to emphasise the importance of embedding internal controls and risk management throughout the organisation. The AGS was approved by the committee for inclusion with the Statement of Accounts and was subsequently signed off by the Chief Executive and the Leader of the Council. The evidence used to compile the AGS was also made available to members via their website.