

Internal Audit - Effectiveness of the Audit Committee

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REASON FOR ITEM

An effective and independent Audit Committee (AC) is a key element in the Council's corporate governance and risk management framework. An effective AC leads to improved internal control, risk management and financial reporting. It provides a forum for discussing key issues raised by Internal Audit (IA) and other core functions, working independently to provide assurance to the Council.

CIPFA best practice guidance for local authorities states that in order for the AC to be fully effective and therefore able to provide meaningful advice and assurance to the Council, its Members need to be independent, diligent, knowledgeable, and receive relevant, timely and reliable information. The guidance also sets out that AC Members must be in a position to feel able to challenge Directors and the Cabinet, as well as draw attention to any significant governance weaknesses. In addition, the guidance states that the AC should have clear reporting lines and unrestricted rights of access to other Council committees and managers (as required/ appropriate). The AC should also have sufficient administrative support and access to all relevant and timely information.

OPTIONS AVAILABLE TO THE COMMITTEE

The Audit Committee is asked to review and discuss the findings, conclusions and recommendations presented and the management action proposed in the Effectiveness of the AC final report.

INFORMATION

The report aims to provide independent, objective assurance to the Council over the Effectiveness of the AC. Specifically IA reviewed the following key areas:

- AC Terms of Reference;
- AC Independence and Membership;
- AC Members' relevant experience, training and development;
- Review of key AC documents including (but not limited to) Statement of Accounts and the Annual IA Report; and
- AC meeting agendas and minutes.

LEGAL IMPLICATIONS

There are no legal implications arising directly from this report.

BACKGROUND PAPERS

None

Audit Committee 2 July 2015

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