
REPORT TO: **AUDIT SUB COMMITTEE**

AGENDA ITEM:

5

DATE OF MEETING: **28th JUNE 2006**

CATEGORY:
RECOMMENDED

REPORT FROM: **DIRECTOR OF CORPORATE SERVICES**

OPEN

MEMBERS' CONTACT POINT: **KEVIN STACKHOUSE (595811)**

DOC: u/ks/audit
committee/june06/initial work
programme

SUBJECT: **TERMS OF REFERENCE AND
INITIAL WORK PROGRAMME
2006/07**

REF:

**WARD(S)
AFFECTED:** **ALL**

**TERMS OF
REFERENCE:**

1.0 Recommendations

- 1.1 That the Committee's Terms of Reference as approved by Council is noted (Appendix 1).
- 1.2 That the initial work programme (Appendix 2) for 2006/07 be approved and reviewed at least annually.

2.0 Purpose of Report

- 2.1 To table the Committee's Terms of Reference as approved by Full Council for consideration and clarification and to review the initial work programme for the 2006/07 municipal year. It also sets out proposals for the initial training and awareness programme for Members.

3.0 Detail

Terms of Reference

- 3.1 The Audit Committee was set up and constituted by Full Council at its meeting on 25th May 2006. This was in accordance with best practice guidance (CIPFA) on the principles for the establishment of Audit Committees. The Audit Commission recommends that to meet best practice in respect of corporate governance, such a form should exist in every local authority.
- 3.2 In establishing the Committee, the Council adopted Terms of Reference. These are set out in Appendix 1. It is recommended that these be reviewed at least annually.

Proposed Work Programme

- 3.3 An initial work programme is proposed and this is set out in Appendix 2. To a certain extent, legal requirements will drive the Agenda. Effectively, each

Committee will have standing items, i.e. quarterly update reports from internal audit and monitoring against their plan, together with any specific reports issued by external audit since the last meeting.

- 3.4 The Council's external auditor will attend the September meeting. They will report to the Committee any issues (the ISA 240 report) arising out of their audit of the Council's annual accounts and financial statements.
- 3.5 The February meeting will also consider Internal Audit's strategic plan and the ½ yearly review of the Local Code of Corporate Governance. The June meeting will in the future, need to consider the Council's Statement on Internal Control and any issues arising from it.
- 3.6 From time to time there will be ad-hoc reports. For example, reviewing the financial management and procedural rules where this is required, or to review developments in fraud and corruption.
- 3.7 Given that this Committee is in its infancy, it is proposed to keep the programme under review and revisit it at least annually.

Training and Awareness

- 3.8 Clearly, this is a new Committee with a certain degree of responsibility in what can be a complex and technical area. Good practice recommends that Members of the Committee are trained and over time, acquire the necessary skills and knowledge to add value to the role of the Committee.
- 3.9 It is proposed that initial training and awareness around the roles and responsibilities of Members is delivered by a suitably experienced independent organisation, such as the Institute of Public Finance. This training can be delivered on site and tailored to the requirements of the Committee.
- 3.10 It is proposed that the training is undertaken during early September, before the Committee meets again on 27th September 2006.

4.0 Financial Implications

- 4.1 The cost of the training will be approximately £750 and this will be accommodated within the training budget.

5.0 Corporate Implications

- 5.1 None directly.

6.0 Community Implications

- 6.1 None directly.

7.0 Background Papers

None