

Agenda item No. 5

Title: **Role of Audit Committee**

Lead Member: Cllr Hames – Chair Audit Committee

Reporting officer: Ian Jamieson – Head of Finance

Purpose

To outline the role of the audit committee, which covers purpose, core functions, structure and administration.

Background

Audit Committees have been operating in many parts of the public sector for some time, although there has been a mixed pattern of adoption and practice in local government.

The Chartered Institute of Public Finance (CIPFA) has recently produced practical guidance to assist local authorities with implementation. In the guidance audit committees are seen as an essential element of good governance, which should enable councils to make better use of resources.

The role of the audit committee is outlined in the attached Position Statement, which is based on CIPFA guidance.

Key Issues

The audit committee should be:

Clearly integrated into corporate governance framework

Independent to provide assurance to members and the public

Effective to assist the chief finance officer to discharge statutory functions

Independent of Cabinet and Scrutiny with clear access to full Council

Supported by the Chief Executive and Leader

Effect on strategies and codes

The audit committee will review all council strategies in place that regulate activities, control actions of employees, elected members and contractors.

Risk management implications

The audit committee has a key role in reviewing the risk management framework.

Finance and performance implications

There are no financial implications.

Legal and human rights implications

There are no direct legal or human rights implications.


Next steps

The role of the audit committee will evolve over time and will be subject to regular review. This will include development of work plan, working in partnership with Scrutiny and reviewing progress and terms of reference.

Recommendations

That the role of the audit committee as outlined in the attached position statement (appendix 1) and terms of reference (appendix 2) be noted.

Background Papers: Final Accounts Working Papers – Room 33

 Plain English guidance given

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