

Committee: Performance & Audit Committee

Agenda Item

Date: 16 May 2013

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Title: Performance & Audit Committee Self-assessment 2012/13

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Item for information

Summary

1. The Performance & Audit Committee fulfils the Audit Committee functions for the Council. To ensure it is meeting its responsibilities against the guidelines provided by Chartered Institute of Public Finance and Accountancy (CIPFA) a self-assessment of its work 2012/13 has been undertaken. This self-assessment will be included as evidence in support of the Annual Governance Statement 2012/13.

Recommendations

2. The Committee note the outcome of Performance & Audit Committee Self-Assessment 2012/13

Financial Implications

None. There are no costs associated with this report

Background Papers

3. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

CIPFA publication –

§ A Toolkit for Local Authority Audit Committees (2006)

Impact

4.

Communication/Consultation	none
Community Safety	none
Equalities	none
Health and Safety	none
Human Rights/Legal	none

Implications	
Sustainability	none
Ward-specific impacts	none
Workforce/Workplace	none

Situation

5. The first self-assessment of the effectiveness of the Performance & Audit Committee was carried out by the Chairman and the Internal Audit Manager in April 2012 with the results reported to members at the May 2012 meeting.
6. At the September 2012 meeting of the Committee members expressed their willingness to be involved in the self-assessment exercise to assess the effectiveness of Performance & Audit Committee during 2012/13. Following this members were invited to take part in self-assessment exercise on 11 April 2013 using the self-assessment checklist from "CIPFA – A Toolkit for Local Authority Audit Committees" to consider the performance of this Committee in fulfilling its Audit Committee functions in 2012/13
7. There are 66 questions contain in the CIPFA self-assessment of which 51 are priority 1 and 15 are priority 2.
8. Below is a summary of the self-assessment; the completed assessment with comments to evidence responses to each question is attached at Appendix A.
9. Of the 51 priority 1 questions, responses were assessed as follows:

yes	no	n/a
47	4	0

The 4 negative responses were:

Ref	issue	Comments / Actions
1 c (ii)	Do the terms of reference set out the frequency of meetings?	The timetable of all cabinet and committee meetings is agreed by Full Council at its February meeting.
2 (vi)	Has the audit committee (with delegated responsibility) or the full council adopted "Managing the Risk of Fraud – Actions to Counter Fraud and Corruption?"	"Managing the Risk of Fraud – Actions to Counter Fraud and Corruption" is a 2006 CIPFA publication which has been superseded by newer publications. The Council is currently considering Counter Fraud actions being taken in line with more recent publications e.g. the Audit Commission's Protecting the Public Purse (November 2012), Fighting Fraud Against Local Government (November 2011) and the National Fraud Authority's Fighting Fraud Locally – the Local

		Government Fraud Strategy (April 2012).
2 (vii)	Does the audit committee ensure that the “Actions to Counter Fraud and Corruption” are being implemented?	The P&A Committee receives reports on Internal Audit Anti-Fraud and Corruption work and during 2013/14 will review revised and updated policies for Anti-Fraud & Corruption, Whistleblowing and the Bribery Act 2012
6 a (i)	Does the audit committee have a designated secretary from Committee/Member Services	There is no designated Democratic Services Officer for the P&A Committee. The Council operates a system of rotation of Democratic Services Officers who attend meetings

10. There were 3 priority 1 questions, which although the response was positive it was felt are areas for improvement:

Ref	issue	Comments / Actions
1 b (iv)	Are new audit committee members provided with an appropriate induction?	There was a comprehensive induction training provided for all members of the P&A Committee by the Assistant Chief Executive – Finance (ACE-FIN) and The Audit Commission (the then External Auditors). Update training has not been provided and it is considered that this is something that should be done on an annual basis. The ACE-FIN will be asked to provide some training during 2013/14.
4 (v)	Does the audit committee hold periodic private discussions with the Head of Internal Audit?	The Internal Audit Manager and the P&A Committee Chairman have periodic private meetings. The Chairman will be recommending that in future the opportunity should be given for private discussion at the end of a P&A Committee meeting if there are any issues members want to raise with the Internal Audit Manager.
5 (ii)	Does the audit committee hold periodic private discussions with the external auditor?	Private meeting are held through the Chairman with the External Auditor. The Chairman will be recommending that in future the opportunity should be given for private discussion at the end of a P&A Committee meeting if there are any issues members want to raise with the External Auditor.

11. Of the 15 priority 2 questions, responses were assessed as follows:

yes	no	n/a
14	1	0

The 1 negative response was:

Ref	issue	Comments / Actions
6 a (iv)	Are inputs for Any Other Business formally requested in advance from committee members, relevant officers, internal and external audit?	The timetable of all cabinet and committee meetings is agreed by Full Council at its February meeting.

Conclusion

12. Overall the Committee has achieved a 92% positive response for the self-assessment and the five negative responses are areas that are not considered to have a critical impact on the Committee's performance.
13. From this it can be concluded that in 2012/13 the Performance & Audit Committee has effectively fulfilled its Audit Committee functions in accordance with the CIPFA guidelines for an Audit Committee

Risk Analysis

14.

Risk	Likelihood	Impact	Mitigating actions
The Performance & Audit Committee fails to fulfil its function as the Council's Audit Committee	1 = Little or no Likelihood Annual self-assessment to be carried out as part of the evidence required for the Annual Governance Statement	2 = Some impact – action may be necessary	The annual self-assessment The Annual governance Statement is reviewed by the Audit Commission and by the Performance & Audit Committee

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.