

BRISTOL CITY COUNCIL

Audit Committee

2nd May 2014

Report of: Chief Internal Auditor

Title: Audit Committee Draft - Annual Report to Council 2013/14

Ward: Citywide

Officer Presenting Report: Melanie Henchy-McCarthy, Alison Mullis
(J/S) Chief Internal Auditor

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RECOMMENDATION

The Committee comment on the form and content of the Audit Committee's draft annual report to Full Council (attached at Appendix A to a summary covering report). The report details the Committee's assurance to Council at paragraphs:

- 3.1–3.5 regarding risk management
- 3.7–3.10 regarding internal control and the Annual governance Statement (AGS)
- 3.11-3.14 regarding internal audit
- 3.15-3.19 regarding external audit and governance
- 3.20-3.25 regarding anti-fraud arrangements
- 3.26 regarding Member standard matters

Summary

This report suggests a format for the Audit Committee's Annual Report to Council. It describes the Committee's role, the work programme for this municipal year and furnishes the Committee with a facility to provide key assurances to the Council. It also details the planned development of the Committee to strengthen the level of assurance provided in the future.

The significant issues in the report are:

- Appendix A – a draft report of the Committee to Council

Policy

1. The Audit Committee's Terms of Reference are determined by Full Council and are reflected in the Risk Management Strategy and Policy Statement. The City Council

has a duty to ensure adequate and effective risk management, internal control and governance arrangements and the economy, efficiency and effectiveness of its activities. The Audit Committee has a key role in assessing the extent to which this responsibility is being met and advising the Council on the adequacy and effectiveness of these arrangements.

Consultation

2. Internal: None necessary

External: None necessary

Other Options Considered

N/A

Risk Assessment

The assurances provided to the Council by the Audit Committee are an important element of the Council's governance arrangements.

Equalities Impact Assessment

None necessary for this report

Environmental Impact Assessment

None necessary for this report

Legal and Resource Implications

Legal - none sought

Resource - none affected by this report

Appendices:

Appendix A Draft Report of the Audit Committee to Council for 2013/14 (Including Full Council covering report)

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

IPF - A Toolkit for Local Authority Audit Committees 2008.
Audit Committee Reports and Papers from June 2013 to date.
Annual Audit and Inspection Letter 2013/14
Annual Report to those charged with Governance 2013/14

BRISTOL CITY COUNCIL**FULL COUNCIL****July 2014****Report of:** The Audit Committee**Title:** Audit Committee - Annual Report 2013/14**Ward:** Citywide**Officer Presenting Report:** Councillor Mark Brain, Chair of the Audit Committee (2013/14)**Contact Telephone Number:** 0117 37 73526**RECOMMENDATION**

That Council accepts the report of the Audit Committee at Appendix A, and notes the assurances provided in the report.

Summary

The report sets out the work and performance of the Audit Committee during 2013/14, and the extent to which the Committee's terms of reference have been met.

The significant issues in the report are:

Para 2	the effectiveness and impact of the Audit Committee
Para 3.1-3.6	the Committee's assurance regarding the management of key risks facing the Council
Para 3.7-3.10	the Committee's assurance regarding the internal control, risk management and corporate governance arrangements which were considered in preparation of the Council's published Annual Governance Statement
Para 3.11-3.14	the Committee's assurance on the effectiveness of Internal Audit
Para 3.15-3.19	a summary of External Audit assurances on the internal control, risk management and governance arrangements
Para 3.20-3.25	a summary of anti-fraud assurances
Para 3.26	Members Standards Matters
Para 4	the way forward for the Audit Committee in 2014/15.
Para 5	issues around the independence of the Committee
Para 6	training and development of Committee Members

Policy

1. The Audit Committee's Terms of Reference are determined by Full Council and are reflected in the Risk Management Strategy and Policy Statement. The City Council has a duty to ensure adequate and effective risk management, internal control and governance arrangements and the economy, efficiency and effectiveness of its activities. The Audit Committee has a key role in assessing the extent to which this responsibility is being met and advising the Council on the adequacy and effectiveness of these arrangements.

Consultation

2. Internal

Internal Audit
Audit Committee Members
S151 Officer

3. External

Not Applicable

4. Context

- 4.1 The Audit Committee was established by the City Council at its meeting on 16th May 2006. Whilst there is no statutory obligation to have such a Committee, they are widely recognised as a core component of effective governance.

5. Proposal

- 5.1 The report of the Audit Committee, and the assurance and comments therein, be noted.

Other Options Considered

N/A

6. Risk Assessment

The purpose, strategy and work programme for the Audit Committee mitigates against any failure by the Council to obtain independent assurance in relation to the governance processes underpinning :

- an effective risk management framework and internal control environment
- the effectiveness of financial and non-financial performance (to the extent it affects exposure to risk and poor internal control)
- the Annual Governance Statement, and

- the review and approval of the annual statement of accounts.

In the course of its work the Audit Committee has added value by initiating a planned review and improvement process across particular areas of weakness variously identified in this report. It has effectively strengthened the corporate effort to achieve the Council's objectives and to meet the requirements and standards overseen by the external auditors and other regulatory bodies.

Equalities Impact Assessment

None necessary for this report

Environmental Impact Assessment

None necessary for this report

Legal and Resource Implications

Legal - none sought

Resource - none affected by this report

Appendices:

Appendix A Audit Committee Annual Report 2013/14

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

IPF - A Toolkit for Local Authority Audit Committees 2008.

Audit Committee Reports and Papers from June 2008 to date.

Annual Audit and Inspection Letter 2013/14

Annual Report to those charged with Governance 2013/14

AUDIT COMMITTEE



**ANNUAL REPORT
2013 - 14**

Forward:

Introduction by Chair of Audit Committee

This report provides an overview of the Audit Committee's activity during the municipal year 2013 - 14.

I am pleased to report that the Committee continues to make progress in its vital work in providing independent assurance on the adequacy of the Council's risk management framework and the associated control environment, and in providing robust scrutiny and challenge of the Authority's financial performance. It does this in a non-political way because it is only by being apolitical that the Audit Committee can really be effective.

The importance of governance, risk management and strong controls being embedded in the regular business of the Council must not be underestimated and as such the Audit Committee have provided support for this by focussing on the key areas.

The Committee recognise that the Council has faced many challenges this year and acknowledges that in the early part of the year it faced some significant issues in control, governance and risk management that were of concern to members. I am pleased that members and officers have worked hard to resolve many of these issues. However, there is no room for complacency and the Committee would urge the Council to maintain the momentum and continue the improvements in the next financial year.

New to the Audit Committee during this municipal year has been responsibility for member standards. I am very pleased to report that the Committee did not have to deal with a single complaint against elected members this year. This should give people in Bristol confidence in the propriety of those they have elected to be their representatives.

As outlined in the body of this report, the Committee has been actively engaged with the Chief Internal Auditor(s) and with Grant Thornton (external auditors), and I would like to thank those who served on the Committee during 2013/14. Of course my thanks go to my fellow councillors of all parties who sit on the committee and bring a wealth of experience with them but particular thanks go to the two independent members who serve on the committee providing us with their expertise as well as their independent voices. My thanks also go to the Council officers who have supported the work of the Committee and have been especially supportive to me in my role as Chair. Lastly I would like to extend my thanks to the Deputy Mayor, Councillor Geoff Gollop who despite being under no obligation to attend Audit Committee meetings has attended regularly, listening to the views of members and engaging constructively in discussion.

In looking forward to 2014 - 15 and beyond, and given both the continued financial pressures and the internal changes facing the Council, the importance of an effective Audit Committee remains critical in providing independent assurance on the control, risk and governance framework and challenging where this environment is in need of improvement. Along with my fellow members I look forward to meeting those challenges.



Councillor Mark Brain
Chair, Audit Committee

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1 TERMS OF REFERENCE

1.1 The City Council has a duty to ensure adequate and effective risk management, internal control and governance arrangements and the economy, efficiency and effectiveness of its activities. The Audit Committee has a key role in assessing the extent to which this responsibility is being met and advising the Council on the adequacy and effectiveness of these arrangements.

1.2 Full Council has delegated the following functions to the Audit Committee:

Duty to review and consider the effectiveness of the Council's system of internal control and approve the annual governance statement; review and consider the effectiveness of the Council's internal audit, consider and approve the statement of accounts (Accounts and Audit (England) Regulations 2011 S.I. 2011/817).

1.3 Following discontinuation of the former Standards Committee in 2012, the Full Council further delegated to the Committee the function of promoting and maintaining high standards of conduct by Members and co-opted Members. The Committee was required specifically to advise the Council in respect of:

- the adoption or revision of the Code of Conduct for Members and any associated Codes or Protocols
- advice and training for Members on the Code of Conduct
- considering and determining any allegations of misconduct by a Councillor if the Monitoring Officer requests assistance
- considering nominations made by Group Whips for the conferring of the title 'honorary alderman' and 'honorary alderwoman' and making recommendations to Full council thereon
- to monitor the register of Members' interests.

1.4 The Committee's Terms of Reference were, for 2013/14, to provide independent assurance to the Council in relation to:

the effectiveness of the Council's governance arrangements, risk management framework and internal control environment including overseeing:

- risk management strategies
- anti-fraud arrangements
- whistleblowing strategies
- Internal and External Audit activities
- the effectiveness of the Council's financial and non-financial performance to the extent it affects exposure to risk and poor internal control
- the Annual Governance Statement

- the review and approval of the annual statement of accounts, confirming the appropriate accounting policies have been followed, including the external auditor's report to "those charged with governance" on issues arising from the audit of the accounts

1.5 The Committee's Terms of Reference also required further amendments in light of the Public Sector Internal Audit Standards (PSIAS) requirements which were implemented from 1st April 2013. These additional matters included involvement in:

- The appointment/dismissal of the Chief Internal Auditor
- Monitoring the performance of the Chief Internal Auditor

Please see paragraph 3.10 for further details.

2. AUDIT COMMITTEE EFFECTIVENESS AND IMPACT

2.1 Effective audit committees can bring many benefits to local authorities including:

- increasing public confidence in the objectivity and fairness of financial and other reporting
- providing additional assurance on the robustness of the Authority's arrangements through a process of independent and objective review
- raising awareness of the need for internal control and the implementation of audit recommendations, reinforcing the importance and independence of internal and external audit and other similar internal and external review processes.
- providing support and challenge to Director of Finance in providing sound financial management

2.2 The Audit Committee's activities have been designed to provide assurance to the Council and to make a positive contribution towards improvement of the governance arrangements across the Council. Details of the work programme are attached at Appendix A and the benefits achieved in each area are detailed in the remainder of this report, however in summary the Committee have actively participated in the following areas throughout the year:

- Challenging of officers with regard to the control and governance framework within the Council
- Review and challenge of the Annual Governance Statement and monitoring of the actions taken to address the significant issues identified in that Statement.
- The need for a more targeted/focussed Corporate Risk Register
- Working closely with the External Auditor in overseeing the Council's financial statements
- Review of the annual Statement of Accounts forward with a view to making it more understandable and public friendly
- Matters appertaining to the Local Authority Pension Fund
- Matters concerning Members, including Code of Conduct and disclosures
- The adequacy of the Internal Audit function including resourcing

- Business Continuity Planning – the Committee consider sufficient improvement has been achieved in this area and as such their involvement will be reduced in the coming year.
- Information Security Strategy

- 2.3 In accordance with the International Standards of Auditing (ISA) 260, the External Auditor, Grant Thornton, presented the Audit Committee with their Annual Report to those charged with Governance for 2012-13. Their report highlights the key issues arising from the audit of the Council's financial statements, and states they were satisfied that the Annual Governance Statement (AGS) fairly reflects the Council's risk assurance and governance framework and confirmed that they are not aware of any significant risks that are not disclosed within the AGS.
- 2.4 As detailed in the Forward to this report, the Committee has maintained a varied and yet targeted work programme over the past year in that it has challenged areas where concerns have been raised whilst maintaining an understanding of the overall control, risk and governance environment within the Council, as such it has met its terms of reference requirements.
- 2.5 The Chartered Institute of Public Finance and Accountancy (CIPFA) has recently released Guidance on Audit Committees' and as such the Committee will be assessed against the 'Good Practice' checklist to ensure it operates in line with generally accepted practices. The results of the self-assessment will be used to inform the Committee's work programme going forward and identify areas where there is a training need. A copy of the checklist is attached to this report for information. (Appendix B)

3. ASSURANCES

Risk Management

- 3.1 The Committee have continued to receive the Corporate and Directorate Risk Registers as full agenda items throughout the year. The table below details the Risk Registers received and the meeting at which they were reviewed.

Risk Register	Meeting Date
Corporate Risk Register	28 th June 2013 & 25 th April 2014
Neighbourhoods, incorporating Landlord Services	8 th November 2013
Regeneration	8 th November 2013
Children & Young People's Services (CYPS)	8 th November 2013
Business Change	17 th January 2014
Public Health	17 th January 2014

- 3.2 The Committee continue to challenge and encourage a more targeted and succinct method of recording and monitoring both corporate and directorate risks and as such has supported the introduction of a number of changes to the way in which the corporate and directorate risk registers are presented. These include:
- Target Risks – an improvement forecast based upon an action plan
 - Progress Indicators – performance measures by which risk reduction can be quantified
 - Target Dates – timescale by which improvements can be achieved
- 3.3 Additionally, the Committee along with the Strategic Leadership Team (SLT) have supported a revised approach to the way in which the Council identifies its key risks and how these risks are managed, monitored and challenged. Initial work is being targeted at the Corporate Risk level in order to identify and manage the key risks the Council faces in this current climate.
- 3.4 External risk management consultants, Zurich Municipal, provided Strategic and Service directors with two training workshops designed to:
- Develop a consistent understanding of the Council's risk appetite and what constitutes corporate risk;
 - Empower senior management to engage more fully in identifying the Council's key risks and to be aware/agree which areas require priority attention;
 - Provide a platform from which an effective process can be put in place to improve strategic risk management.
- 3.5 Work will continue throughout 2014/15 to develop the complimentary roles of senior management and Members to establish a focussed and effective risk management framework.
- 3.6 In conclusion, the Committee has noted the need for strategic risk management to develop further to ensure it is a helpful tool to Members and officers in pursuit of the Council's objectives and a programme for this development is progressing well.

Annual Governance Statement (AGS)

- 3.7 In order to ensure effective internal control systems have been established and are maintained, and as an integral part of the Annual Governance Statement, the Committee has continued to receive reports on the control framework and how the annual review and assurance process is conducted. A more streamlined approach has been adopted in terms of the assurance process. This has been necessary due to the liquidity of the senior management structure in 2013/14 and the need to make the process less of a laborious task and more part of the Council's business as usual framework. As such a level of assurance has been gained as part of Internal Audit's planned work together with an amount of assurance testing outside of the plan. This has included meetings with the S151 Officer, the Monitoring Officer, and other key officers. All these officers have important responsibilities for ensuring an effective

system of governance and internal control is in place.

- 3.8 The annual review of the AGS is currently in progress, and the Committee is satisfied it is a robust review process.
- 3.9 The Committee have expressed their concern to senior management with regard to the number of significant issues that were raised in the 2012/13 AGS and as such have sought assurance that these matters have been appropriately addressed and resolved. The Committee has reviewed updates on these matters via the Internal Audit Quarterly reports and a Control and Governance action plan as updated at the January 2014 Committee meeting by the S151 Officer. The Committee acknowledges the progress that has been made in resolving these issues and the part played by SLT and senior officers in instigating the resolutions.
- 3.10 In line with best practice, and recommendations from CIPFA and the Society of Local Authority Chief Executives (SOLACE) in relation to Governance, a local Code of Corporate Governance was developed in 2008/9. The local Code was reviewed by the Audit Committee in June 2014 as part of the AGS compilation and any revisions implemented.

Internal Audit Assurance

- 3.11 Internal Audit is a key source of assurance for both Members and officers on the effectiveness of the control environment. The Committee has a responsibility for ensuring that Internal Audit is effective in the provision of this assurance.
- 3.12 The Committee has received regular reports and information from the Chief Internal Auditor including:
- Internal Audit's risk based planning methodology and annual plans which were approved by the Committee in June 2013.
 - Quarterly update reports detailing Internal Audit's activity, performance against targets and areas where the control environment needs attention.
 - An annual Fraud Update report detailing the fraud/irregularity and Value for Money work which has been undertaken on the Council's behalf and the outcomes there of.
 - An Annual Report from the Chief Internal Auditor, in line with best practice in the CIPFA Public Sector Internal Audit Standards (PSIAS), which provided an opinion on the control environment and the effectiveness of proactive anti-fraud work undertaken.
 - The extent to which Internal Audit recommendations have been implemented. The Committee has continued to emphasise the importance of implementing Internal Audit's recommendations and has supported Internal Audit in its work to ensure control weaknesses are effectively dealt with. The Committee also acknowledges the enhanced support provided by SLT in ensuring the implementation of Audit recommendations; this has been demonstrated by the

increase level of implementation in 2013/14.

- Additionally, the Committee received and considered a report on Internal Audit's compliance with the new CIPFA PSIAS which came into force in April 2013. In general the Committee were satisfied that the Internal Audit service met the majority of the requirements, but it also noted and supported the following areas for improvement :
 - The involvement of the Audit Committee in the recruitment and dismissal of the Chief Internal auditor;
 - The Audit Committee to contribute to the performance review of the Chief Internal Auditor;
 - Regular meetings to take place between the Chair of the Audit Committee and the Chief Internal Auditor.
- The Committee also considered and approved the revised Internal Audit Charter and Strategy which had been updated in line with PSIAS requirements.

3.13 Receipt of the above reports has enabled the Committee to draw conclusions regarding:

- independence and objectivity
- approach and performance against targets set
- compliance with professional standards of Internal Audit as defined by CIPFA guidance
- staffing resources in respect of numbers and skills
- the working relationship between Internal and External Audit
- the extent to which Internal Audit support the work of the Committee

3.14 Overall, the Committee is able to provide the Council with assurance that an adequate and effective internal audit service is in place, however the Committee is concerned that with the need to streamline the Council's service in order to reflect reducing funds, that the Internal Audit service is not reduced to a level whereby providing adequate assurance is problematic. Additionally, the Committee acknowledges that this service currently identifies potential savings for the Council far in excess of its annual budget and as such the Committee would not advocate any further reduction in the service.

External Audit Assurance - Governance and Statement of Accounts

3.15 External Audit is an essential part of the process of accountability for public funds, providing an independent opinion on the financial statements, and reviewing aspects of governance and financial management as well as arrangements for securing economy, efficiency and effectiveness across the Council. Working closely with Internal Audit, the External Audit programme ensures that statutory responsibilities are delivered, without duplication of audit work. The Committee has reviewed both programmes to ensure this is the case.

3.16 Assurance received from the External Auditors, Grant Thornton, for 2013/14, is

detailed in the work programme. Most significantly, the External Auditor's governance report (ISA 260) summarises conclusions from their audit work and provides their statutory opinion on the accounts and the Council's arrangements for achieving value for money. The EA reported an unqualified opinion for both the annual review of the Statement of Accounts for 2012/13 and the Value for Money conclusion, however they highlighted the importance of progress including consideration of their recommendations to avoid any adverse impact on their Value for Money opinion going forward.

3.17 Additionally, the Committee has received the EA's Annual Audit Letter for 2013/14 in November 2013 which together with concluding an unqualified opinion on both the annual accounts and the Value for Money conclusion also concluded:

- an unqualified opinion on the Council's Whole of Government Accounts submission; and
- the certification of two grant claims and returns, both of which were certified without amendment.

3.18 From its work to date, the Committee is not aware of any areas of significant duplication or omission in the systems of governance in the authority which have not been adequately addressed.

3.19 Local Public Audit Bill– the Committee continue to maintain a watching brief on the progress of this bill and the ultimate effect it may have on the external audit provision within the Council.

Anti-Fraud and Whistle-blowing

3.20 Countering fraud and corruption is the responsibility of every Member and officer. The Audit Committee's role in this area has been to oversee, monitor, support and enable effective actions to be taken to counter fraud. In doing so, the Committee has continued to receive reports from the Chief Internal Auditor in respect of fraud and irregularities investigated by Internal Audit, Housing Benefit Fraud work undertaken by the Benefit Fraud Team, and pro-active fraud work undertaken in respect of exercises such as the National Fraud Initiative (NFI) and Tenancy Fraud Initiative.

3.21 In January 2014 the Committee considered a Fraud Update report, presented by Internal Audit, providing information on the current developments in respect of fraud against the public sector and how the Council is responding to them. The report included reference to the Local Government Fraud Strategy which states that 'Local Government will be better able to protect itself from fraud and corruption and will provide more effective fraud response by':

- **Acknowledge-** Acknowledging and understanding fraud risks;
- **Prevent-** Preventing and detecting more fraud by making better use of information and technology, enhancing fraud controls and developing an effective anti-fraud culture;
- **Pursue** – Being stronger in punishing fraud and maximising recovery.

- 3.22 The Council's anti-fraud arrangements were assessed against the Audit Commission – Checklist for Councillors and Others Responsible for Governance and the Committee received an update as part of the Fraud report on areas where the council's arrangements need to be strengthened, these included:
- Raising fraud awareness within Council staff
 - Improving the Council's whistle-blowing arrangements
 - Procurement
 - Direct Payments
 - Other areas such as Social Fund and Grants.
- 3.23 The Committee recognise that the work of Internal Audit on Tenancy fraud has continued successfully having secured further funding for 2013/14 and 2014/15. The number of properties recovered to date is 39 which represents not just a saving to the Council in terms of the cost of short term accommodation for displaced families, but also a message to the citizens of Bristol that the Council supports the families and communities within Bristol in ensuring that those in greatest need receive assistance.
- 3.24 The Committee has received half yearly and annual reports which documented the good and improved performance by the Housing Benefit Fraud Team. The Committee have also maintained a watching brief on the progress of the implementation of the Department of Work and Pension's (DWP) Single Fraud Investigation Service (SFIS) and the impact that will have, not just on the investigation of benefit fraud, but on the expertise currently contained within the Housing Benefit Fraud Team.
- 3.25 The Council's anti-fraud arrangements are generally in line with best practice with just a few areas identified for improvement. The Council understand the fraud threats it faces and works proactively to tackle the issues. The Council accepts that fraud will happen, particularly in the current climate, and where it does it reacts accordingly.

Member Standards Matters:

- 3.26 The committee have considered a number of matters appertaining to Members including:
- Members Code of Conduct
 - Appointment of Honorary Aldermen/Women
 - Dispensations

It is envisaged the Committee will continue its responsibilities in this area going forward.

4. LOOKING FORWARD

4.1 During the coming year the Committee will further develop the assurances it is able to provide, and its contribution to an effective control framework by reviewing the Work Programme to ensure that it maximises its contribution to the governance and control framework, at the same time practicing agenda management in order to ensure that all meetings are equally productive without losing sight of the key issues. The work programme that in addition to consideration of statutory and other key items as “those charged with governance” incorporates:

- topics brought forward from earlier years:
 - Financial governance – one year on from ABW implementation
 - Risk Management – continue to support and challenge the risk management arrangements within the Council and the mitigation of the risks there of.
 - overseeing Members Standards, developing policies and procedures
 - Information Security/Strategy
- New Areas:
 - Commissioning Governance – as the Council increases its provision of service through commissioning the need for effective governance in this area continues to be important
 - The impact of the Council restructure on the Control environment (Change Programme)
 - Trading with Schools – impact on control and effectiveness of trading model
 - CIPA Good Practice in Audit Committees – Self assessment and the work that is identified as a result of the exercise.

5. INDEPENDENCE

5.1 In 2013/14 the Audit Committee's membership was:

- Councillor Brain (Chair)
- Councillor Emmett
- Councillor Weston
- Councillor Hanby
- Councillor Khan
- Councillor Hopkins
- Ken Guy - independent member
- Brenda McLennan - independent member (Vice Chair)

5.2 The CIPFA best practice guidance suggests the need for independence of the Audit Committee, however some members of the Committee have continued to benefit from their involvement with the Resources Scrutiny Commission, in that they have gained an understanding of the performance, financial and otherwise, of the City

Council and issues around risk management, control and governance.

5.3 To assist in preserving the Committee's independence and provide a clear distinction between the Audit Committee and Scrutiny Commission roles, other measures have continued, including:

- the appointment of independent members from outside the City Council for four-year terms, one of whom is currently serving as Vice Chair
- the Chair of the Audit Committee and the Chair of the Resources Scrutiny Commission are different Members
- ensuring clarity about the terms of reference for both the Audit Committee and the Resources Scrutiny Commission, to ensure a clear distinction in the roles.
- The appointment of an independent member who deals solely with matters appertaining to Member standards and code of conduct.

6. TRAINING AND DEVELOPMENT

6.1 In order to be effective, members of the Committee have recognised that, when serving on the Committee, they should be apolitical and objective, and have a clear understanding of risk management, internal control and governance issues, and how the arrangements in place across the City Council operate.

6.2 A training session on the Statement of Accounts for 2012/13 took place in September 2013 with a further session on the 2013/14 draft accounts held in March 2014. A further refresher will be provided for Members in July in preparation for their consideration of the 2013/14 accounts.

6.3 The Council's subscription to CIPFA's Better Governance Forum provides useful briefings for Audit Committees and these are shared with Members. Updates for 2013/14 have included:

- An introduction to the new Public Sector Internal Audit Standards and the implications for the audit committees, together with an update on matters relevant to the Annual Governance Statement – issued in June 2013;
- Reviewing Internal Audit Quality – issued December 2013.

Additionally, the briefings provide updates in governance matters and other hot topic areas relevant at the time of publication.

6.4 The training needs of the Committee members will be subject to on-going assessment, and training provided as required.

7. CONCLUSION

7.1 The Committee has demonstrated that it adds value to the Council's overall governance framework in that it has:

- Met the requirements under its terms of reference; in particular it has:

- Provided robust and constructive challenge to the overall control and assurance environment of the Council.
 - Added value to the Risk Management process in its suggested and implemented amendments to the presentation of both the corporate and directorate risk registers and its support of the proposed changes to the corporate risk register.
 - Undertaken training in relevant areas as and when they have been identified.
- During 2014/15 the Committee will undertake to :
 - Continue to request officers to attend Committee meetings to aid in its understanding of the services and to aid in maintaining the momentum of ongoing improvements in the Risk, Control and Governance framework within the Council.
 - Assess its compliance against the CIPFA good practice guidance and act on the outcomes from that exercise;
 - Undertake continued training and development in relevant areas as and when they are identified.