

Full Council

10th September 2019



Report of:	Chair of the Audit Committee
Title:	Audit Committee Annual Report 2018/19
Ward:	City Wide
Member Presenting Report:	Councillor Mead, Chair of Audit Committee/ Councillor Stevens, Vice Chair of Audit Committee.

Recommendation

The Council accepts the report of the Audit Committee and notes the Committees concerns that internal control arrangements at the Council are not yet as robust as they should be. The Committee will continue to monitor and support improvement required during 2019/20.

Summary

The Committee's Terms of Reference include a requirement to provide full Council with an Annual Report summarising its conclusions from the work it has undertaken during the year. The report is provided at Appendix A.

The significant issues in the report are:

- a) The work of the Committee and conclusions drawn (sections 4 of 7 of Appendix A)
- b) The introduction of a Values and Ethics sub-committee during the year (para 4.18)
- c) Internal Audit Team resourcing (para 4.12)
- d) Key priorities for enhancing the Committees contribution to improvement of the control framework going forward (section 6 of Appendix A)

Policy

1. The Audit Committee's terms of reference are determined by Full Council. 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**
Audit Committee Members including independent members
Internal Audit
3. **External**
Not Applicable

Context

4. 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.

Proposal

5. Full Council note the report of the Audit Committee and the Committee's concerns that internal control arrangements are not yet consistently as robust as they should be. The Committee will continue to monitor and support improvements required during 2019/20.

Other Options Considered

6. Not Applicable

Risk Assessment

7. The work of 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.

Public Sector Equality Duties

- 8a) Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following “protected characteristics”: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:
- i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
 - ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
 - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
 - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
 - iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –
 - tackle prejudice; and
 - promote understanding.
- 8b) No Equality Impact anticipated from this report.

Legal and Resource Implications

Legal – N/A
Financial – N/A
Land – N/A
Personnel – N/A

Appendices:

Appendix A – Audit Committee Annual Report 2018/19

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**Background Papers:**

Audit Committee papers throughout 2018/19.

CIPFA Guidance on Audit Committee Effectiveness 2013