

Full Council

19 July 2016



Report of:	The Audit Committee
Title:	Audit Committee – Annual Report 2015/16
Ward:	Citywide
Member Presenting Report:	Councillor Mark Brain, Chair of the Audit Committee 2015/16
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 2015/16, 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 3.1–3.4	the Committee's assurance regarding the management of key risks facing the Council
Para 3.5–3.9	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 3.10–3.13	the Committee's assurance on the effectiveness of Internal Audit
Para 3.14–3.19	a summary of External Audit assurance on the internal control, risk

	management and governance arrangements
Para 3.20–3.24	a summary of anti-fraud assurances
Para 3.25	Members Standards Matters
Para 3.26	the Committee's assurance on the effectiveness of Treasury Management
Para 4	the way forward for the Audit Committee 2016/17
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

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. The report of the Audit Committee, and the assurance and comments therein, is noted.

Other Options Considered

Not Applicable

Risk Assessment

6. 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.

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) None necessary for this report

Legal and Resource Implications

Legal

None sought

Financial

None affected by this report

Land

Not applicable

Personnel

Not applicable

Appendices:

Appendix A – Audit Committee Annual Report 2015/16

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

CIPFA – Toolkit for Local Authority Audit Committees 2015.

Audit Committee Reports and Papers from June 2006 to date.

Annual Audit and Inspection Letter 2014/15

Annual Report to those charged with Governance 2014/15