

**Subject:** **Audit Committee Annual Report 2011/12**  
**Date of Meeting:** 19<sup>th</sup> July 2012  
26<sup>th</sup> June 2012  
**Report of:** **Director of Finance**  
**Contact Officer:: Name:** **Ian Withers, Head of Audit & Business Risk** **Tel 29-1323**  
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**Wards Affected:** All

## **1. SUMMARY AND POLICY CONTEXT:**

- 1.1 This draft report attached at Appendix 1 provides a summary of the Audit Committee's performance and achievements during 2011/12. It has been prepared on behalf of the Audit Committee members.
- 1.2 The preparation of an annual report is recognised as best practice for Audit Committees in providing assurance over its role by the Chartered Institute of Public Finance and Accountancy (CIPFA).

## **2. RECOMMENDATIONS:**

It is recommended that the Audit & Standards Committee:

- 2.1 Considers the draft report at Appendix 1 and makes any amendments and additions it deems necessary.
- 2.2 Refer the report (incorporating any amendments and additions) to Full Council for approval.

## **3. BACKGROUND**

- 3.1 The Audit Committee (the Committee) was established in May 2008, replacing the previous Audit Panel. Its purpose for the 2011/12 municipal year is contained in the Terms of Reference Appendix A to the Annual Report.
- 3.2 Effective from the start of the 2012/13 municipal year, the Audit Committee has merged with the Standards Committee.
- 3.3 Whilst there is no statutory requirement for a local authority to establish an Audit Committee it is implied by the Accounts and Audit (England)

Regulations 2011 and recognised across both the private and public sectors as a key component of corporate governance.

3.4 The key benefits of an effective Audit Committee are:

- Raising greater awareness of the effectiveness and continued development of the council's governance arrangements;
- Increasing public confidence in the objectivity and fairness of financial and other reporting; and
- Reinforcing the importance and independence of internal and external audit.

#### **4. FINANCIAL & OTHER IMPLICATIONS:**

4.1 Financial Implications:

The Audit & Standards Committee is an essential element of good financial governance, the costs its work programme including officer support and training is met from existing budgetary provision.

Anne Silley  
Head of Business Engagement  
Financial Services

14<sup>th</sup> June 2012

4.2 Legal Implications:

The report is made under the Committee's power to consider and make recommendations to Full Council on matters relating to or affecting the Committee's functions.

Oliver Dixon  
Acting Senior Lawyer

14<sup>th</sup> June 2012

4.3 Equalities Implications:

There are no equalities implications arising.

4.4 Sustainability Implications:

There are no sustainability implications arising.

4.5 Crime & Disorder Implications:

There are no crime and disorder implications arising.

4.6 Risk and Opportunity Management Implications:

There are no direct risk and opportunity management implications arising.

#### 4.7 Corporate / Citywide Implications:

Robust corporate governance arrangements are essential to the sound management of the City Council and the achievement of its objectives as set out in the Corporate Plan.

### **SUPPORTING DOCUMENTATION**

#### **Appendices:**

1. Audit Committee Annual Report 2011/12

#### **Background Documents**

1. Reports to the Audit Committee May 2011 – April 2012