



Committee and Date

Audit Committee

27 March 2013

10 am

Item

10

Public

REVIEW OF THE AUDIT COMMITTEE'S ANNUAL WORK PLAN AND FUTURE LEARNING AND DEVELOPMENT REQUIREMENTS 2013/14

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1. Summary

It is important that Audit Committee Members have an agreed plan of work for the year ahead and receive appropriate learning and development in order to deliver their responsibilities effectively. This report provides a proposed audit committee work plan and seeks discussion and agreement around a learning and development plan for Members to ensure that they are well informed and appropriately skilled to fulfil their role.

2. Recommendations

The Committee is asked to consider and approve, with appropriate comment, the proposed work and learning and development plan for the committee and its members, attached as **Appendices A and B**.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1 By identifying the key topics to be considered at the Audit Committee meetings and receiving appropriate learning and development sessions in respect of their roles and responsibilities; Audit Committee Members are able to undertake their duties effectively and deliver them to a high standard thereby, adding to the robustness of the internal control environment and good governance of the Council.
- 3.2 The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998. There are no direct environmental, equalities or climate change requirements or consequences of this proposal.

- 3.3 Over time Members of Audit Committee have been engaged in identifying and refining the annual work plans of the committee and through a skills self-assessment and discussions, identifying areas for further development, results from which have been used to inform the proposed plans. In addition, following the pending elections, it is possible that the membership of the Committee may see some changes and as a result initial training sessions will look at providing new members with an understanding of their role and that of the Committee.

4. Financial Implications

- 4.1 The Audit Committee work plan and learning and development sessions for members will be met from within approved budgets.

5. Background

- 5.1 A key requirement of an effective Audit Committee is a well-informed membership who has some knowledge and experience of the key areas to be considered by the Committee. With a known work plan **Appendix A**, appropriate and timely learning and development for Members is an important way of ensuring Members are well prepared and gain the knowledge and experience needed to carry out their role effectively.
- 5.2 The work plan shows with tracked alterations any proposals for changes and member approval is sought on these. In considering the amendments the following may be useful:
- a) A Cabinet report on the 13th March 2013: The Future Governance of Shropshire Town Housing Ltd (STandRH), and Services sought approval for a Housing Governance Board be appointed. Reports will be submitted to the Board to ensure that STandRH delivers to the needs and requirements of the Council. In future, reports including one on housing rent arrears will be reported to this board, in addition STandRH will have its own audit committee and therefore it is proposed that the need for the September report is deleted.
 - b) There are currently two Benefit Fraud Team Performance Monitoring reports on the work plan; officers believe that this has occurred over time when there has been slippage to reporting. It is proposed that reporting occurs in February, near to the year end and that the need for a June report is deleted.
 - c) Members will note a review of the Internal Audit Charter in December 2012; this is a mandatory requirement of the new Public Sector Internal Audit Standards (PSIAS) replacing the Terms of Reference currently in place. Also as a direct result of the standards, there is no longer a requirement to produce an audit strategy and members will see this has been deleted. Instead a risk based plan must incorporate or be linked to a strategic or high level statement which sets out how the audit service will

be provided and developed in accordance with the charter and how it will link to the council's objectives and priorities.

- d) Members will note that the annual review of the effectiveness of the system of Internal Audit; will in future incorporate a Quality Assurance and Improvement Programme for Internal Audit, again to reflect changes following PSIAS requirements.
 - e) Following discussions at Performance and Scrutiny Committee an additional report has been planned for March on Council Tax and NNDR Performance Monitoring.
- 5.3 It is important that the learning and development plan is agreed and put in place to support Members in their roles. During 2012/13 Members have received half day sessions that covered a number of topics in detail which included new ways of working, procurement and commissioning and management of the Council's financial arrangements.
- 5.4 Training has been delivered from a variety of in house resources, along with colleagues from external audit and external speakers as appropriate.
- 5.5 Members are asked to consider their preferred learning and development approach for 2013/14. It is proposed that training is provided in four half day sessions over the next twelve months. The attached appendices set out the dates and suggestions for the training topics.
- 5.6 The first session of training will be the 21st May, shortly after the elections with topics proposed to bring new members up to speed with the role of the Audit Committee, Governance arrangements, Internal and External audit and to act as a refresher for existing members.
- 5.7 Our Treasury Advisor, Sector, are interested in presenting a specific Member half day training session which covers all their responsibilities in relation to the CIPFA Code on Treasury Management, if members agree this is proposed for the 20th November.
- 5.8 Further sessions could be themed or cover a selection of specific topics, suggestions are proposed in **Appendix B** for future learning and development opportunities with an indication of timings and members are asked to consider and agree these.
- 5.9 Whilst members are asked to confirm the initial sessions for learning and development, this will not prevent any additional items being added during the year or changes being made if these are felt to be of value.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Previous training session records

The Future Governance Of Shropshire Town Housing Ltd (St&Rh), And Services Cabinet 14 March 2013

Cabinet Member (Portfolio Holder) Keith Barrow (Leader of the Council) and Brian Williams (Chairman of Audit Committee)

Local Member n/a

Appendices

Appendix A – Audit Committee Work Plan 2013/14

Appendix B – Audit Committee Proposed Training Plan 2013/14

Appendix A

Audit Committee Work Plan 2013/14	21 June 2013	19 Sept 2013	12 Dec 2013	13 Feb 2014	27 Mar 2014	Report originator
	Proposed target dates for reports					
Internal Audit Annual Report	✓					Internal Audit
Review of Annual Statement of Accounts Reports	✓					S151 Officer
Annual Governance Statement and a review of the effectiveness of the Council's system of internal control.	✓					S151 Officer
Review of Code of Corporate Governance Report	✓					S151 Officer
Annual review of the effectiveness of the system of Internal Audit and Quality Assurance and Improvement Programme	✓					S151 Officer
Annual Assurance Report of Audit Committee to Council	✓					Internal Audit
External Audit Annual Fee Letter 2013/14	✓					External Audit
Revenue Outturn Report	✓					S151 Officer
Capital Outturn Report	✓					S151 Officer
Benefit Fraud Team Performance Monitoring Report	✓					Head of Public Protection and Enforcement
Annual Whistleblowing report	✓					Head of Human Resources
Assessment of compliance with the new PSIAS and Internal Audit Charter	✓					Internal Audit
Agree January 2013 training requirements— see attached for ideas		✓				Internal Audit
Quantum Leap update	✓					Director of Commissioning – George Candler
Quarterly Update on Transformation Programme Management Controls and Risks	✓	✓	✓		✓	Head of Programme Management, Systems and Transition
Council Tax and NNDR Performance Monitoring Report		✓			✓	Head of Customer Care and Involvement
Housing Benefit Overpayment Performance Monitoring Report		✓				Head of Customer Care and Involvement
External Audit Key Issues Memorandum 2012/13		✓				External Audit
External Audit Shropshire County Pension Fund Key Issues Memorandum		✓				External Audit
Results of National Fraud Initiative		✓				Internal Audit
Audited Annual Statement of Accounts		✓				S151 Officer
Risk and Insurance Annual Report		✓				Risk

Appendix A

Audit Committee Work Plan 2013/14	21 June 2013	19 Sept 2013	12 Dec 2013	13 Feb 2014	27 Mar 2014	Report originator
						Management Team Leader
Housing Rent Arrears Annual Update		✓				Area Commissioner – Central
Annual Treasury Report		✓				S151 Officer
Annual review of Audit Committee Terms of Reference			✓			Internal Audit
Annual review of Internal Audit Charter			✓			Internal Audit
Annual review of Internal Audit Terms of Reference			✓			Internal Audit
Annual review of Counter Fraud, Bribery and Anti-Corruption Strategy			✓			Internal Audit
Half year audit report update and revised Annual Audit Plan			✓			Internal Audit
External Audit Annual Audit Letter 2012/13			✓			External Audit
Treasury Strategy Mid-Year Report			✓			S151 Officer
Annual Audit Committee Self-Assessment			✓			S151 Officer
Benefit Fraud Team Performance Monitoring Reports				✓		Group Manager Public Protection and Enforcement
Three quarter audit report update				✓		Internal Audit
Treasury Strategy				✓		S151 Officer
Internal Audit report on compliance with Financial Rules (every two years)						Internal Audit
Internal Audit report on compliance with Contract Rules (every two years)				✓		Internal Audit
Audit Strategy for the Pension Fund					✓	External Audit
Internal Audit Strategic Plan (every four years)					✓	Internal Audit
External Audit Plan 2013/14					✓	External Audit
Internal Audit report of the Review of Risk Management Audit					✓	Internal Audit
Draft Internal Audit Risk Based Plan					✓	Internal Audit
Draft Audit Committee annual work plan and future training requirements					✓	Internal Audit
Internal Audit Fraud Updates (part 2)	✓	✓	✓	✓	✓	Internal Audit
External Audit – Audit Committee updates	✓		✓	✓	✓	External Audit

AUDIT COMMITTEE PROPOSED LEARNING AND DEVELOPMENT PLAN 2013/14

Topic	21 st May 2013	1 st Oct 2013	20 th Nov 2013	14 th Jan 2014	Lead Officer	Type of requirement
Traditional Sessions						
Role and responsibilities of Audit Committee	✓				Section 151 Officer	Statutory
Role and responsibilities of Internal Audit	✓				Audit Service Manager	Audit
External audit plans and approaches	✓				External Auditor	Statutory
Public Sector Internal Audit Standards	✓				Audit Service Manager	Audit
Internal audit plans and approaches	✓				Audit Service Manager	Audit
Corporate governance arrangements including the Annual Governance Statement	✓				Senior Group Auditor	Governance
IT audit	✓				IT Auditor	Audit
Assurance arrangements	✓				Audit Service Manager and External Auditor	Service
Reviewing the financial statements	✓				Section 151 Officer and External Auditor	Statutory
Strategic risk management		✓			Risk Manager	Governance
Counter fraud		✓			Group Auditor	Governance

Topic	21 st May 2013	1 st Oct 2013	20 th Nov 2013	14 th Jan 2014	Lead Officer	Type of requirement
Treasury management			✓		Head of Treasury and Pension Services	Service
Value for Money				✓	Audit Service Manager and External Auditor	Service
Information management				✓	Information Governance Officer	Governance
Contract Rules					Legal Services	Statutory
Financial Rules				✓	Section 151 Officer	Statutory
The impact of proposed changes to external audit provision					Section 151 Officer	External
Themed Sessions – to be agreed, suggestions only below						
Transition plans and delivery models						
Ip&e						

Please note where there is no tick against a topic, the item has not been selected for training purposes given time constraints but is an area to be considered by members