



Report to: Audit Sub-Committee

Subject: Audit Sub-Committee - Discharge of Responsibilities

Date: 8th April 2008

Author: Manager of Resource Services

1. PURPOSE OF REPORT

The annual review of the Audit Sub Committee's Terms of Reference was undertaken at the December 2007 meeting. Whilst the current Terms of Reference were deemed appropriate for the Committee's current responsibilities, members requested that a further report be submitted detailing the level of assurance that can be provided with respect to the discharge of these responsibilities.

The report is submitted to members with the purpose of meeting this objective.

The current Terms of Reference are provided in **Appendix A**.

2. ANALYSIS OF RESPONSIBILITIES

Table 1 below outlines each area of the Audit Sub-Committee's responsibilities as detailed in the current terms of reference. The source of assurance enabling the committee to discharge each responsibility is identified alongside, along with a schedule for each source of assurance.

3. RECOMMENDATION

It is recommended that members consider the report and identify any areas of concern.

Table 1 – Analysis of Audit Committee Responsibilities

Key Task	Responsibility	Source Of Assurance	Schedule
Audit Activity	To consider the Head of Internal Audit's annual report and opinion and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the council's corporate governance arrangements.	Annual Internal Audit report.	Annually (June)
	To consider summaries of Internal Audit reports.	All audit reports issued in full.	Quarterly
	To consider a report from Internal Audit on agreed recommendations not implemented within a reasonable timescale.	Follow-up report of previous audit recommendations.	Quarterly
	To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.	Code of Audit Practice. Statement of Responsibilities. Audit & Inspection Letter.	Annually – as published
	To consider specific reports as agreed with the external auditor.	Use of Resources Assessment. Best Value Performance Plan. Annual Governance Report.	Annually – as published
	To commission work from internal and external audit.	External – Audit & Inspection Plan. Internal – Annual Audit Plan.	Annually (Sept) Annually (March)
Risk Management	Receiving quarterly reports with respect to the effectiveness of risk management procedures.	Corporate Risk Scorecard.	Quarterly
	Achievement of Business Continuity Plans.	Annual Internal Audit report. Corporate Governance Review.	Annually (June)
	Notification of Internal Audit recommendations in respect of Risk Management procedures.	Risk Management Strategy.	Ongoing (approved Dec. 2006)
Regulatory Framework	To maintain an overview of the council's constitution in respect of contract procedure rules, financial regulations and codes of conduct and behaviour.	Relevant documents available on the councils's intranet site.	
	To monitor the effective development and operation of risk management and corporate governance in the council.	Risk Management Strategy. Corporate Risk Scorecard. Corporate Governance Review.	Ongoing Quarterly Annually (June)
	To monitor council policies on "Whistleblowing" and the anti-fraud and anti-corruption strategy and the council's complaints process.	Annual Internal Audit report. Corporate Governance Review. Fraud & Irregularities report.	Annually (June) Annually (June) Annually (from June08)

	To review the Assurance Statement of the Chief Internal Auditor (Manager of Resource Services), in support of the authority's Statement on Internal Control.	Annual Internal Audit report.	Annually (June)
	To consider the council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.	Annual Internal Audit report. Corporate Governance Review. Risk Management Strategy.	Annually (June) Annually (June) Ongoing
Accounts	To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.	Audit & Inspection Letter. Annual Governance Report. Best value Performance Plan.	Annually – as published

CURRENT TERMS OF REFERENCE

AUDIT SUB COMMITTEE

Audit Activity

- To consider the Head of Internal Audit's annual report and opinion and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the council's corporate governance arrangements.
- To consider summaries of Internal Audit reports.
- To consider a report from Internal Audit on agreed recommendations not implemented within a reasonable timescale.
- To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
- To consider specific reports as agreed with the external auditor.
- To commission work from internal and external audit.

Risk Management

- Receiving quarterly reports with respect to the effectiveness of risk management procedures.
- Achievement of Business Continuity Plans.
- Notification of Internal Audit recommendations in respect of Risk Management procedures.

Regulatory Framework

- To maintain an overview of the council's constitution in respect of contract procedure rules, financial regulations and codes of conduct and behaviour.
- To monitor the effective development and operation of risk management and corporate governance in the council.
- To monitor council policies on "Whistleblowing" and the anti-fraud and anti-corruption strategy and the council's complaints process.
- To review the Assurance Statement of the Chief Internal Auditor (Manager of Resource Services), in support of the authority's Statement on Internal Control.
- To consider the council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.

Accounts

- To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.