

Report to:	Audit Committee	Date:	16 March 2017
Report title:	Role and effectiveness of the Audit Committee		
Report from:	Gerald Almeroth, Strategic Director - Resources		
Ward/Areas affected:	Borough Wide		
Chair of Committee/Lead Member:	Councillor David Hicks		
Author(s)/Contact Number(s):	Phil Butlin, Executive Head of Finance, 020 8770 4514 Alix Wilson, Head of the South West London Audit Partnership, 020 8891 7291		
Corporate Plan Priorities:	<ul style="list-style-type: none"> • A Smart Council 		
Open/Exempt:	Open		
Signed:		Date:	02.03.2017

1. Summary

- 1.1 A report was presented to Audit Committee on the 22 September 2016 setting out a proposed approach to consider and clarify the role of the Audit Committee, including, but not limited to, making a clear distinction from the role of the Scrutiny Committee.
- 1.2 Audit Committee agreed that a task and finish group would be established and facilitated by the Head of the South West London Audit Partnership (SWLAP) and that the terms of reference would be as set out in 3.

2. Recommendations

The Audit Committee is recommended to:

- 2.1 Endorse the findings of the report; and
- 2.2 Recommend to Strategy and Resources Committee to have regard to the findings when considering any future proposed changes to the functions of the Audit Committee or any successor Committee.

3. Background

- 3.1 On 22 September 2016, Audit Committee agreed that a Task and Finish group would be established and facilitated by the Head of the South West London Audit Partnership (SWLAP) and that the terms of reference for the group would be as follows:
- 3.1.1 To review the functions of the Audit Committee as set out in the Council's Constitution in the light of CIPFA's Position Statement and good practice guidance and other relevant external sources;
- 3.1.2 To consider how to make a clear distinction between the functions of the Audit Committee and those of the Scrutiny Committee to assist both Committees in their work;
- 3.1.3 To consider how to address the areas where the Audit Committee currently falls short of CIPFA's good practice guidance; and
- 3.1.4 To report the groups conclusions back to the December meeting of the Committee.
- 3.2 The task group was made up of 2 Audit Committee members, 1 member who stands in at both the Audit Committee and Scrutiny Committee as a substitute, the Executive Head of Finance and facilitated by the Head of the SWLAP.
- 3.3 Meetings were held on the 22 and 28 November 2016 and the 13 December 2016 and as a result fell outside of the Committee deadlines for reporting to the December Audit Committee meeting.

4. Impacts and Implications

Financial

- 4.1 Costs are expected to be minimal, but will be contained within existing budgets.

Legal

- 4.2 Recommendations are made to ensure compliance with Public Sector Internal Audit Standards and CIPFA guidance.

5. Appendices and Background Documents

Appendix letter	Title
A	Task and Finish Findings and Recommendations
B	CIPFA Position Statement: Audit Committees in Local Authorities
C	Review of the Current Terms of Reference against CIPFA suggested Terms of Reference (To Follow)
D	Revised Terms of Reference

Background documents
Audit Committees – Practical Guidance for Local Authorities and Police 2013 (CIPFA)

Audit Trail		
Version	Final	Date: 1 March 2017
Consultation with other officers		
Finance	Yes	Phil Butlin
Legal	No	N/A
Equality Impact Assessment required? (see intranet guidance)	No	N/A

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