

REPORT TO CABINET

Open		Would any decisions proposed :		
Any especially affected Wards	Mandatory/	Be entirely within Cabinet's powers to decide	YES	
		Need to be recommendations to Council	NO	
		Is it a Key Decision	NO	
Lead Member: Cllr Nick Daubney E-mail: cldr.Nick.Daubney@west-norfolk.gov.uk Cllr Harry Humphrey E-mail: cldr.Harry.Humphrey@West-Norfolk.gov.uk		Other Cabinet Members consulted:		
		Other Members consulted:		
Lead Officer: Kate Littlewood E-mail: kate.littlewood@west-norfolk.gov.uk Direct Dial: 01553 616252		Other Officers consulted: Assistant Director, Resources Democratic Services Manager Democratic Services Officer		
Financial Implications NO	Policy/Personnel Implications NO	Statutory Implications YES	Equal Impact Assessment NO	Risk Management Implications YES

Date of meeting: 9th September 2015

REVIEW OF THE EFFECTIVENESS OF THE AUDIT AND RISK COMMITTEE

Summary

This report provides Cabinet with the results of the 'Review of the Effectiveness of the Audit and Risk Committee' for 2014-15 and confirms that the Committee is fulfilling its stated purpose which is 'to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment, and to oversee the financial reporting process'.

Recommendation

To note the contents of the report.

Reason for Decision

To ensure the Council continues to meet its obligations under the Accounts and Audit Regulations 2011.

1.0 BACKGROUND

1.1 The Audit and Risk Committee was set up in 2006, with Terms of Reference drawn up in line with guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA). These were reviewed during 2013-14 and approved by Council 26th September 2013.

- 1.2 Under the Accounts and Audit Regulations 2011, a council is required ‘to ensure that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of its functions’.
- 1.3 Good corporate governance requires independent, effective assurance about the adequacy of financial and operational management and reporting. This assurance is best delivered by a committee that is independent from the executive and scrutiny functions. This is provided by the Audit and Risk Committee.
- 1.4 In order to ensure that this monitoring of governance is carried out effectively, a regular review of the role and activities of the Audit and Risk Committee is necessary.
- 1.5 The previous review indicated that the Committee was providing an effective service. However it was recommended that:
- The Committee should evaluate if the Internal Audit function complied with the Public Sector Internal Audit Standards. A report was presented to the Committee on 28th October 2014, including an action plan to improve compliance.
 - A review of the Risk Management Strategy was required. The Audit Manager had intended to complete this at the end of 2014, but was absent from work at that time. The review will now be carried out in the next few months and an updated strategy will be presented to the Committee in October 2015.

2.0 REVIEW DETAILS

- 2.1 The review was completed by the Audit Manager using a checklist compiled by CIPFA. The completed checklist is attached as **Appendix 1** of this report. In addition information has been compiled on the reports considered by the Committee. The resulting draft report was then considered by the Chair and Vice Chair of the Audit and Risk Committee.
- 2.2 The responses in the checklist are ticked as:
- ‘Y’ – Yes. The criteria have been met and no action is required.
 - ‘P’ – Partial. The criteria have only been met in part, some action may be required.
 - ‘N’ – No. The criteria have not been met and action may be required.

3.0 ITEMS CONSIDERED DURING 2014-15

- 3.1 Throughout 2014-15 the Audit and Risk Committee held 9 meetings and received a total of 22 reports on a number of issues, including:

Internal Audit

- Internal Audit Annual Report 2013-14.

- External Quality Assessment – Compliance with the Public Sector Internal Audit Standards
- Internal Audit Strategic Plan 2014-15, Progress Reports (2)

External Audit

- Statement of Accounts 2013-14 Report to those charged with Governance (ISA 260).
- Annual Audit Letter
- 2014-15 External Audit Plan
- Annual Certification of Claims and Returns 2013-14 report

Finance

- Revenue Outturn 2013-14.
- Capital Programme and Resources 2013-17
- Annual Treasury Report 2013-14.
- Mid-year review Treasury Report 2014-15.

Fraud

- Annual Report of the Investigations Unit
- Single Fraud Investigation Service update
- Anti-Fraud and Anti-Corruption Strategy, Whistleblowing Policy and Fraud Response Plan.
- Revenues and Benefits Fraud Policy – Introduction of the Civil Penalties for Council Tax.

Corporate Governance and Risk

- Corporate Risk Monitoring Report – 6-monthly report (2 reports).
- Annual Governance Statement 2013-14.
- Review of the Effectiveness of the Audit and Risk Committee.
- Business Continuity update.
- Monitoring Officer Annual Report

A summary of the content of each report and the subsequent discussion has been compiled by Democratic Services and is attached as **Appendix 2**.

- 3.2 During 2014-15 a private briefing was also held for the Audit Manager to notify the Committee of the results of an investigation.
- 3.3 Training was provided to Committee members during the year on the Council's anti-fraud measures.

4.0 OUTCOMES

- 4.1 The outcome of this report will be to:
- Show evidence that the Audit and Risk Committee is effective in its role.
 - Satisfy the requirement of an annual review of the effectiveness of the Audit and Risk Committee.

5.0 CONCLUSIONS

- 5.1 During 2014-15 the Audit and Risk Committee received and commented on all relevant reports and actively monitored risk and internal controls. As a result it is continuing to perform effectively and the Council is meeting its requirements under the Accounts and Audit Regulations 2011.

Policy Implications

There are no policy implications.

Financial Implications

There are no financial implications.

Personnel Implications

There are no personnel implications

Statutory Considerations

The Council can demonstrate that it is meeting the requirements under the Accounts and Audit Regulations 2011.

Equality Impact Assessment (EIA)

There are no equality implications.

Risk Management Implications

Having an effective Audit and Risk Committee is an important element in the Council's risk management framework.

Declarations of Interest / Dispensations Granted

None required.

Background Papers

None.

**Borough Council of King's Lynn and West Norfolk
Audit and Risk Committee Self-Assessment Exercise**

**APPENDIX 1
For the year 2014-15**

No	Issue	Y	P	N	Evidence/ Comment	Action Required
1. ESTABLISHMENT, OPERATION AND DUTIES						
Role and Remit						
1.1	Does the audit committee have written Terms of Reference?	Y			The Terms of Reference were reviewed and approved by Council on 26 th September 2013.	
1.2	Do the Terms of Reference cover the core functions of an audit committee as identified in the CIPFA guidance?	Y				
1.3	Are the Terms of Reference approved by the council and reviewed periodically?	Y			Reviewed every 3 years. The next review is due in May 2016.	
1.4	Can the audit committee access other committees and full council as necessary?	Y			All Members attend Full Council and can attend any other Panel or Committee meeting under Standing Order 34.	
1.5	Does the authority's Annual Governance Statement include a description of the audit committee's establishment and activities?	Y			Section 4 'Review of Effectiveness' includes a description of the Audit and Risk Committee's function.	
1.6	Does the audit committee periodically assess its own effectiveness?	Y			An annual review is carried out.	
Membership, Induction and Training						
1.9	Has the membership of the audit committee been formally agreed and a quorum set?	Y			Formally appointed by Council. Quorum set through Standing Orders.	
1.10	Is the chair independent of the executive function?	Y				
1.11	Has the audit committee chair previous knowledge of, or received appropriate training on, financial and risk management, accounting concepts and standards, and the regulatory regime?	Y			The Chair during 2014-15 had experience through personal work life. He had been a previous member of the Audit and Risk Committee and attended all training offered to the Committee.	

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**APPENDIX 1
For the year 2014-15**

No	Issue	Y	P	N	Evidence/ Comment	Action Required
1.12	Are new audit committee members provided with appropriate induction?	Y			Training is offered to all Members by Democratic Services. The training is carried out at the start of the meeting to maximise participation.	
1.13	Have all member's skills and experiences been assessed and training given for identified gaps?		P		An analysis of skills and experiences is not carried out. However, a training programme has been designed to cover all previously identified training needs and Members can request specific training if necessary.	A review of the Scrutiny functions is to take place during 2015-16 and will include consideration of the skills required.
1.14	Has each member declared his or her business interests?	Y			Records of interests are kept by Democratic Services. A standing item of each agenda requires Members to declare any relevant interests.	
1.15	Are members sufficiently independent of other key committees of the council?		P		Independent of the Cabinet, but all members of the Audit and Risk Committee also sit as the Resources and Performance Panel.	A review of the Scrutiny functions is to take place during 2015-16.
Meetings						
1.16	Does the committee meet regularly?	Y			9 meetings held in 2014-15. The programme for 2015-16 includes 6 planned meetings, but this may increase if the Committee needs to consider urgent reports in the intervening time.	
1.17	Do the Terms of Reference set out the frequency of meetings?	Y			Minimum of 4 meetings a year, but this can be increased if necessary.	
1.18	Does the audit committee calendar meet the authority's business needs, governance needs and the financial calendar?	Y			A calendar of meetings is published for each year and dates are co-ordinated with Cabinet and specific key events.	
1.19	Are members attending meetings on a regular basis and if not, is appropriate action taken?	Y			A record of attendance is kept by Democratic Services. Any persistent non-attendance is brought to the attention of the relevant party leader.	
1.20	Are members free and open without political influences being displayed?	Y				
1.21	Does the authority's s151 officer or deputy attend all meetings?	Y			In 2014-15, the Deputy Chief Executive, who was the deputy s151 officer, attended all meetings.	

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**APPENDIX 1
For the year 2014-15**

No	Issue	Y	P	N	Evidence/ Comment	Action Required
1.22	Does the audit committee have the benefit of attendance of appropriate officers at its meetings?	Y			Relevant officers attend to present the reports and answer questions.	
1.23	Are decisions reached promptly?	Y			A decision is made at the end of each item on the agenda.	

2. INTERNAL CONTROL						
2.1	Does the audit committee consider the findings of the annual review of effectiveness of the system of internal control (as required by the Accounts and Audit Regulations) including the review of the effectiveness of the system of internal audit?	Y			Audit Manager's Annual Report for 2013-14 was presented on 22 nd July 2014. An external assessment of the Internal Audit was carried out in 2014 and the results presented to the Committee on 28 th October 2014.	
2.2	Does the audit committee have responsibility for review and approval of the Annual Governance Statement and does it consider it separately from the accounts?	Y			Presented to a Special Meeting on 8 th September 2014 as a separate report from the Statement of Accounts 2013-14.	
2.3	Does the audit committee consider how meaningful the Annual Governance Statement is?	Y			The Committee received a training session on the relevance and content of the AGS in August 2013.	
2.4	Does the audit committee satisfy itself that the system of internal control has operated effectively throughout the reporting period?	Y			Various reports are presented to the Committee throughout the year relating to internal audit, external audit, finance, fraud, corporate governance and risk.	
2.5	Has the audit committee considered how it integrates with other committees that may have responsibility for risk management?	Y			The Chair and Vice Chair attend joint sift meetings with their counterparts on the Regeneration, Environment and Community Panel to review the Cabinet Forward Decisions list.	
2.6	Is the audit committee made aware of the role of risk management in the preparation of the internal audit plan?		P		The report setting the Strategic Internal Audit Plan each year contains reference to the consideration of risk management.	Future reports on the Strategic Audit Plan will contain more explanation of the role of risk management.
2.7	Does the audit committee review the authority's strategic risk register at least annually?	Y			Update reports are presented twice a year in April/May and October/November.	

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**APPENDIX 1
For the year 2014-15**

No	Issue	Y	P	N	Evidence/ Comment	Action Required
2.8	Does the audit committee monitor how the authority assesses risk?	Y			Included in the 6-monthly reports and the review of the Risk Management Strategy every 3 years.	The Risk Management Strategy will be reviewed during 2015-16.
2.9	Do the audit committee's Terms of Reference include oversight of the risk management processes?	Y			Terms of Reference Sec 4.1(a) and (b) refers.	
2.10	Does the audit committee take a role in overseeing anti-fraud and whistleblowing arrangements?	Y			Terms of Reference Sec 4.1(a) refers.	

3. FINANCIAL REPORTING & REGULATORY MATTERS						
3.1	Is the audit committee's role in the consideration and/or approval of the annual accounts clearly defined?	Y			Terms of Reference Sec 3.1(a) and (c) refers. The timetable of meetings includes provision for Special Meetings in June and September each year to consider the Statement of Accounts.	
3.2	Does the audit committee consider specifically: <ul style="list-style-type: none"> ▪ The suitability of accounting policies and treatments ▪ Major judgements made ▪ Large write-offs ▪ Changes in accounting treatment ▪ The reasonableness of accounting estimates ▪ The narrative aspects of reporting? 	Y			The financial reports presented cover all the aspects stated.	
3.3	Is an audit committee meeting scheduled to receive the external auditor's report to those charged with governance including a discussion of proposed adjustments to the accounts and other issues arising from the audit?	Y			Special Meeting in September each year.	
3.4	Does the audit committee review management's letter of representation?	Y			Management responses are included in the covering report to the external auditors report. The responses are also discussed at the meeting.	
3.5	Does the audit committee annually review the accounting policies of the authority?	Y			Included in the Statement of Accounts report.	

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**APPENDIX 1
For the year 2014-15**

No	Issue	Y	P	N	Evidence/ Comment	Action Required
3.6	Does the audit committee gain an understanding of management's procedures for preparing the authority's annual accounts?	Y			The Chief Financial Officer attended the relevant meetings to present the report and answer questions relating to the preparation of accounts.	
3.7	Does the audit committee have a mechanism to keep it aware of topical legal and regulatory issues, for example by receiving circulars and through training?	Y			'Members Bulletin' is circulated to all Members, which contains general updates and circulars when they occur. For issues specifically relevant to the Committee, a report is presented. In 2014-15, reports were presented on the transfer of benefit fraud investigation work to DWP.	

4. INTERNAL AUDIT						
4.1	Does the audit committee approve annually, and in detail, the internal audit strategic and annual plans including consideration of whether the scope of internal audit work addresses the authority's significant risks?	Y			The Internal Audit Strategic Plan is usually presented in February each year for approval. Details of how the plan is compiled are included in the covering report. Due to the Audit Manager's absence the plan for 2015-16 was presented in June 2015.	
4.2	Does internal audit have an appropriate reporting line to the audit committee?	Y			Direct access to the Chair is included in the revised Terms of Reference, along with the potential for Internal Audit to meet with the Committee, without Senior Management being present, if necessary.	
4.3	Does the audit committee receive periodic reports from the internal audit service including an annual report from the Audit Manager?	Y			The Committee receives reports on progress against the Strategic Plan, and the Audit Manager presents the Annual Report in June/ July.	
4.4	Are follow-up audits by Internal Audit monitored by the audit committee and does the committee consider the adequacy of implementation of recommendations?	Y			Included in the progress reports. Officers can be asked to attend the meetings to answer questions if progress is not satisfactory.	
4.5	Does the audit committee hold periodic private discussions with the Audit Manager?	Y			The facility is available within the Terms of Reference if required. During 2014-15 the Audit manager did hold a briefing session with the Committee concerning some investigation work.	
4.6	Is there appropriate co-operation between the internal and external auditors?	Y			Meetings are held to discuss the content of the respective audit plans.	

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**APPENDIX 1
For the year 2014-15**

No	Issue	Y	P	N	Evidence/ Comment	Action Required
4.7	Does the audit committee review the adequacy of internal audit staffing and other resources?	Y			Included in the Strategic Audit Plan report and the quarterly progress reports.	
4.8	Has the audit committee evaluated whether its internal audit service complies with Public Sector Internal Audit Standards (PSIAS)?	Y			An external quality assessment was completed in 2014 by the Chartered Institute of Internal Auditors and the resulting report was presented to the Committee in October 2014.	
4.9	Are internal audit performance measures monitored by the audit committee?	Y			Performance Indicators are set as part of the Strategic Plan and monitored in the progress reports.	
4.10	Has the audit committee considered the information it wishes to receive from internal audit?	Y			No requests for specific reports or training were made in 2014-15, although further information was provided in response to requests from Members.	

5. EXTERNAL AUDIT						
No	Issue	Y	P	N	Evidence/ Comment	Action Required
5.1	Do the external auditors present and discuss their audit plans and strategy with the audit committee (recognising the statutory duties of external audit)?	Y			Ernst Young attend meetings to present their reports and answer questions.	
5.2	Does the audit committee hold periodic private discussions with the external auditor?			N	The facility is available within the Terms of Reference if required.	No action required.
5.3	Does the audit committee review the external auditor's annual report to those charged with governance?	Y			Report is presented at the Special Meeting in September.	
5.4	Does the audit committee ensure that officers are monitoring action taken to implement external audit recommendations?	Y			Recommendations are taken into account when preparing the Internal Audit Strategic Plan.	
5.5	Are reports on the work of external audit and other inspection agencies presented to the committee, including the Audit Commission's annual audit inspection letter?	Y			Report to those charged with governance (ISA260) – September 2014 Annual Audit Letter – November 2014 Audit Plan 2014/15 – March 2015 Certification of Claims and Returns Annual Report 2013/14 – March 2015.	
5.6	Does the audit committee assess the performance of external audit?	Y			Considered as reports are presented.	

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**APPENDIX 1
For the year 2014-15**

No	Issue	Y	P	N	Evidence/ Comment	Action Required
6. ADMINISTRATION						
Agenda Administration						
6.1	Does the audit committee have a delegated secretary from Committee/Member Services?	Y			Wendy Vincent, Democratic Services.	
6.2	Are agenda papers circulated in advance of meetings to allow adequate preparation by audit committee members?	Y			A timetable is set for the year detailing meeting dates and deadlines for reports to be submitted.	
6.3	Are outline agendas planned one year ahead to cover issues on a cyclical basis?	Y			Included in the timetable for the year.	
6.4	Are inputs for Any Other Business formally requested in advance from committee members, relevant officers, internal and external audit?			N	'Any Other Business' is not an agenda item. Only 'Urgent Business' is accepted under Standing Order 7.	
Papers						
6.5	Do reports to the audit committee communicate relevant information at the right frequency, time, and in a format that is effective?	Y			The timetable is designed to ensure the timing and frequency of routine reports is appropriate. Ad hoc reports are presented as they arise and also in line with Cabinet requirements if necessary.	
6.6	Does the audit committee issue guidelines and/or a proforma concerning the format and content of the papers to be presented?			N	The format is a corporate template.	No action required.
Actions Arising						
6.7	Are minutes prepared and circulated promptly to the appropriate people?	Y			Minutes are produced within a week of the meeting.	
6.8	Do action points indicate who is to perform what and by when?	Y			If action is required.	

ISSUES DISCUSSED AT MEETINGS OF AUDIT & RISK COMMITTEE 2014 - 2015

<u>Date of Meeting/Length of Meeting</u>	<u>Details</u>	<u>Outcome</u>
27.05.14		
ARC7: Q4 Progress Report	The Chief Financial Officer presented the report which showed the Internal Audit activity for the quarter January to March 2014 against the Strategic Audit Plan 2013/2014.	RESOLVED: The Committee discussed and commented on the report on the Internal Audit Work Plan for January to March 2014.
ARC8: Corporate Risk Monitoring Report (October 2013 to March 2014)	In presenting the report, the Chief Executive reminded Members that the Committee received reports on a half-yearly basis on the position of the Corporate Risk Register, with the last one being presented in October 2013.	RESOLVED: The Committee discussed and commented on the report.
ARC9: Annual Report of Investigations Unit	The Fraud Investigations Manager presented the report that provided Members with information regarding the work undertaken during the 2013/2014 financial year and looked forward into 2014/2015.	RESOLVED: The Committee discussed and commented on the report.
09.06.14		
ARC17: Cabinet Report: Revenue Outturn 2013/2014	<p>The Principal Accountant presented the report and explained that the report covered two areas, namely:</p> <ul style="list-style-type: none"> • Revenue Outturn and proposed transfers to reserves for 2013/2014. • Principle of the calculation for the provision of bad debts and appeals on the Business Rates Retention Scheme. 	<p>RESOLVED: That Cabinet be informed that the Audit and Risk Committee supports the recommendations as set out in the report to Cabinet set out below:</p> <p>It is recommended that Cabinet approves:</p> <ol style="list-style-type: none"> (1) The revenue outturn and proposed transfers to reserves for 2013/2014. (2) The principle of the calculation for the provision of bad debts and appeals on the Business Rates Retention Scheme.
ARC18: Cabinet Report: Capital Programme and Resources 2013/2017	The Chief Financial Officer presented the report that provided details of the outturn of the 2013/2014 Capital Programme and outlined amendments and rephrasing to the spending on schemes, revising the programme for 2014/2017. The Capital Programme outturn for 2013/2014 totalled £9,477,218 against an approved budget of £12,262,100. The Committee was advised that it had been necessary to rephrase a total of £2,801,830 of scheme costs to future years. Capital receipts generated in the year totalled £1,298,268 of which £1,293,890 were useable.	<p>RESOLVED: That Cabinet be informed that the Audit and Risk Committee supports the recommendations as set out in the report to Cabinet as follows:</p> <ol style="list-style-type: none"> (1) That Cabinet note the outturn of the Capital Programme for 2013/2014 of £9,477, 218. (2) That the financial arrangements for the 2013/2014 Capital Programme be approved. (3) That Cabinet approve the revised 2014/2017 Capital Programme as detailed in the report.

24.06.14		
ARC27: Cabinet Report: Revenues and Benefits Fraud Policy – Introduction of Civil Penalties for Council Tax	The Audit Manager introduced the report which outlined that the Investigations Unit undertook work to prevent and detect benefit, Council Tax Support, Council Tax and Business Rates fraud. The report provided information regarding the proposed use of Civil Penalties for Council Tax only and the proposed use of Prosecution and a sanction of a Simple Caution, for Council Tax and Business Rates.	RESOLVED: That Cabinet be informed that the Audit and Risk Committee supports the recommendations as set out in the report to Cabinet. <ol style="list-style-type: none"> 1) The proposal for the use of Civil Penalties for Council Tax only. 2) The proposal for use of Prosecution and a sanction of a Simple Caution, for Council Tax and Business Rates. 3) To note the inclusion of the investigation of Council Tax and Business Rates fraud.
ARC27: Cabinet Report: Annual Treasury Report 2013/2014	The Principal Accountant presented the report and which informed the Panel that the Council had formally adopted the Chartered Institute of Public Finance and Accountancy's Code of Practice on Treasury Management (2009) and remained fully compliant with its requirements.	RESOLVED: That Cabinet be informed that the Audit and Risk Committee supports the recommendations as set out in the report to Cabinet: <ol style="list-style-type: none"> 1) Cabinet is asked to approve the actual 2013/2014 prudential and treasury indicators set out in the report, and to note the report. 2) Cabinet is asked to approve the amendment to the strategy for 2014/2015.
22.07.14		
ARC37: Business Continuity – Update	The District Emergency Planning Officer presented a report which provided an update to the Committee on the current position of the Council's Business Continuity arrangement. The report outlined progress made since the last update in 2013 and outlined work that was to be undertaken over the coming months.	RESOLVED: The Committee noted the progress made, endorsed the approach being taken to the Council's Business Continuity arrangements and confirmed that annual updates on the subject were required.
ARC38: Q1 Progress Report	The Audit Manager presented the report which showed the Internal Audit activity for the quarter April to June 2014 against the Strategic Audit Plan 2014/15.	RESOLVED: Members discussed and commented on the report on the Internal Audit Workplan for April to June 2014.
ARC39: Internal Audit Annual Report and Opinion 2013/14	The Audit Manager presented the report which provided Members with an overview of the work undertaken by the Internal Audit Section during the 2013/14 financial year against the Strategic Audit Plan, and provided an assurance opinion to support the Annual Governance Statement.	RESOLVED: The Committee discussed and commented on the report.

APPENDIX 2

<p>ARC40: Cabinet Report: Review of the Effectiveness of the Audit and Risk Committee</p>	<p>The Audit Manager presented the report which provided the results of the 'Review of the Effectiveness of the Audit and Risk Committee' for 2013/14 and confirmed that the Committee was fulfilling its stated purpose which was 'to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the Council's financial and non-financial performance to the extent that it affected the Council's exposure to risk and weakened the control environment, and to oversee the financial reporting process.'</p>	<p>RESOLVED: That Cabinet be informed that the Audit and Risk Committee supports the recommendation as follows:</p> <p>To note the contents of the report.</p>
<p>08.09.14</p>		
<p>ARC 49: Cabinet Report: Statement of Accounts 2013/2014 Report to those charged with Governance (ISA UK&I) 260)</p>	<p>The Principal Accountant presented a report which introduced the Statement of Accounts (SOA) 2013/2014. It was highlighted that the report also considered the report from the auditor for the accounts 2013/2014 – the International Auditing Standard (ISA 260).</p>	<p>RESOLVED: That Cabinet be informed that the Audit and Risk Committee supports the recommendation as follows:</p> <p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> 1) Approve the authority for any changes required to the Statement of Accounts is delegated to the Chief Financial Officer, in consultation with the Leader of the Council, to authorise amendments and if necessary present an updated Statement to Council. 2) Notes the comments of the Auditor in the ISA 260. <p>It is recommended that Council:</p> <ol style="list-style-type: none"> 1) Approve the Statement of Accounts for 2013/2014. 2) Notes the comments of the Auditor in the ISA 260.
<p>ARC 50: Cabinet Report: Annual Governance Statement 2013/2015</p>	<p>In presenting the report, the Deputy Chief Executive reminded the Committee that the preparation and publication of an Annual Governance Statement (AGS) was a public statement that described and evaluated the Council's overall governance arrangements during a particular financial year.</p> <p>The report sought Cabinet approval of the Council's Annual Governance Statement covering the 2013/14 year which was attached at Appendix A.</p>	<p>RESOLVED: That Cabinet be informed that the Audit and Risk Committee supports the recommendation to Cabinet as follows:</p> <p>It is recommended that the Annual Governance Statement for the 2013/2014 year as attached be approved for adoption and that the Leader of the Council and the Chief Executive sign accordingly.</p>

APPENDIX 2

<p>ARC 51: Monitoring Officer Annual Report 2013/2014</p>	<p>The Monitoring Officer presented the Annual Report for 2013/2014 and explained that the Annual Governance Statement also covered the areas within the Monitoring Officer's responsibility. Any necessary action points would be presented to the Audit and Risk Committee.</p> <p>The Committee was invited to ask questions.</p>	<p>RESOLVED: The Committee noted the report.</p>
<p>30.09.14 – PRIVATE BRIEFING</p>		
<p>28.10.14</p>		
<p>ARC60: Cabinet Report Mid Year Review Treasury Report 2014</p>	<p>In presenting the report, the Chief Financial Officer reminded the Committee that the Council had formally adopted the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury management (2011) and remained fully compliant with its requirements.</p>	<p>RESOLVED: That Cabinet be informed that the Audit and Risk Committee supports the recommendation as follows:</p> <ol style="list-style-type: none"> 1) Cabinet is asked to note the report and the treasury activity. 2) As part of the budget process and setting of the Treasury Management Strategy for 2015/2016 it is suggested that Cabinet ask officers to bring forward schemes that could generate higher levels of return.
<p>ARC61: External Quality Assessments – Compliance with the Public Sector Internal Audit Standards</p>	<p>The Audit Manager presented the report and explained that Internal Audit were required to undergo an external assessment at least every five years to ensure the service was complying with the Public Sector Internal Audit Standards. The required assessment had been completed and the resulting report was attached.</p>	<p>RESOLVED: The Committee discussed and commented on the report, and confirmed the Audit Manager's responses to the recommendations made.</p>
<p>25.11.14</p>		
<p>ARC71: Corporate Risk Register Monitoring Report</p>	<p>The Deputy Chief Executive explained that the report presented the changes to the Risk Register since the last monitoring report in April 2014 and gave details of the risks falling into the 'Very High' category and the associated work to mitigate the effects.</p>	<p>RESOLVED: The Committee discussed and commented on the report.</p>
<p>ARC72: Annual Audit Letter</p>	<p>The Deputy Chief Executive presented the Annual Audit Letter and explained that its purpose was to communicate to Members of the Borough Council and external stakeholders, including members of the public, the key issues arising from the External Auditor's work, which should be brought to the attention of the Committee.</p>	<p>RESOLVED: The Committee discussed and commented on the Annual Audit Letter.</p>

24.03.15		
ARC 81: Certification of Claims and Returns Annual Report – 2013/2014	Mr R Murray, Ernst and Young presented the Certification of Claims and Returns Annual Report 2013/2014 which summarised the results of the External Auditor's certification work and highlighted the significant issues.	RESOLVED: The Committee discussed and commented on the Annual Report.
ARC82: 2014/2015 Audit Plan	Mr Murray presented the 2014/2015 Audit Plan which set out how the External Auditor's intended to carry out their responsibilities as Auditor. It was explained that the purpose of the report was to provide the Audit and Risk Committee with a basis to review the proposed audit approach and scope for the 2015 audit, in accordance with the requirements of the Audit Commission Act 1998, the code of Audit Practice, the Standing guidance, auditing standards and other professional requirements, but also to ensure that the audit was aligned with the Committee's service expectations.	RESOLVED: The Committee discussed and approved the 2014/2015 Audit Plan and the External Audit fees.