

AUDIT & RISK COMMITTEE

29th June 2010

TRAINING REQUIREMENTS OF THE AUDIT COMMITTEE

Report of the Head of Consortium

1. PURPOSE OF THE REPORT

- 1.1 To make Members aware of the specialist role that the Committee discharges when functioning as the Council's Audit Committee and to outline proposals for training to support the effective discharge of that role.

2. RECOMMENDATIONS

- 2.1 **That Members indicate whether they would be prepared to participate in training in the role and responsibilities of the Audit Committee**

3.0 ROLE OF THE AUDIT COMMITTEE

- 3.1 CIPFA, as the principal professional body for local government finance, is responsible for developing statements of good practice for all major aspects of financial administration in local government. A CIPFA Code of Practice for Internal Audit, with the endorsement of the Audit Committee, prescribes the role and responsibilities of the Audit Committee in supporting an effective internal audit function. These are to:

- provide **independent assurance** of the adequacy of risk management and associated control arrangements;
- provide **independent scrutiny** of financial and non-financial performance to the extent that it impacts upon exposure to risk or the effectiveness of the control environment; and
- oversee the financial reporting process

- 3.2 The phrases "independent scrutiny" and "independent assurance" have been highlighted because they are central to the Committee's role. To deliver independent assurance, the Committee should have sufficient understanding of the concepts of risk management; internal control; and governance to challenge: the Opinions issued by internal (and external) audit; the adequacy of the recommendations arising from audit findings; and the effectiveness of the responses proposed and delivered by the Council's managers. To deliver independent assurance the Committee needs the capacity to develop an opinion on the effectiveness of the internal control framework evidenced by:

- the results of internal audit work reported to the Committee;
- reports on the Council's risk management activities;
- work undertaken by the Council's External Auditors; and
- the results of the Committee's scrutiny of the these other sources of information

4.0 TRAINING FOR AUDIT COMMITTEES

- 4.1 The Consortium has previously arranged for the development and delivery of a training day to which Members of the four Council's Audit Committees were invited. This training took place during 2008/09 and was designed primarily to raise Members' awareness of their Committees' roles. Because the four Committees had different terms of reference, it was not practical to challenge Members' ability to discharge those roles or the address specific development needs.
- 4.2 The training in 2008/9 was delivered by GE Business Solutions, a training provider with extensive experience of working with local authorities on issues of audit, risk, control and governance. Initial soundings suggest that a bespoke training programme could be developed and costed during the current financial year.

5. RISK MANAGEMENT

RISK	IMPACT	COMMENTS
Time	Low	Not relevant
Viability	Low	Not relevant
Finance	Low	If Members determine that training is required, Head of Consortium will identify best prices for training provision before seeking funding
Profile	Low	Not relevant
Equality and Diversity	Low	There are no specific issues arising from this report

Background Papers
None

Report Author
Richard Gaughran

Tel No: (01572) 722577
e-mail: enquiries@rutland.gov.uk

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.