

# Audit Committee Annual Report

DRAFT



2019/20

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Date	Approved By	Version
18/11/2020	Audit Committee	Draft
08/12/2020	Flintshire County Council (planned)	Final

## 1 Foreword by Councillor Chris Dolphin, Chair of the Audit Committee

I am pleased to present the Annual Report of the Audit Committee which outlines the Committees' work and activities for the year ending 31<sup>st</sup> March 2020.

The Audit Committee is a key part in the Council's governance framework to provide an independent oversight on the effectiveness of the Council's governance, risk, financial management, and internal control arrangements.

Throughout the year, the Committee has continued to receive valued professional reports, support and advice from Accountancy, Treasury Management, Risk Management, Corporate Business and Communications, Internal Audit and External Audit (Audit Wales). Additionally, we have invited Chief Officers and Service Managers to attend Audit Committee to respond to concerns raised by members or through various reports, such as those presented by Internal and External Audit.

At each meeting we have reviewed our Forward Work Programme ensuring the work mirrors the level of risks and priorities of the Council. Any actions raised during previous Committee meetings are reviewed for completeness.

I would like to thank members and officers who have supported the work of this Committee by presenting, discussing, challenging, and debating solutions to the governance, risk, financial, and control environment of the Council. The Committee has been well attended throughout the year and where apologies have been given a trained substitute member has attended on the members' behalf.

Finally, I would like to confirm that there are no areas of concern for the Committee to note or report back on which is reassuring for the Council.



Cllr Chris Dolphin  
Chair of Audit Committee

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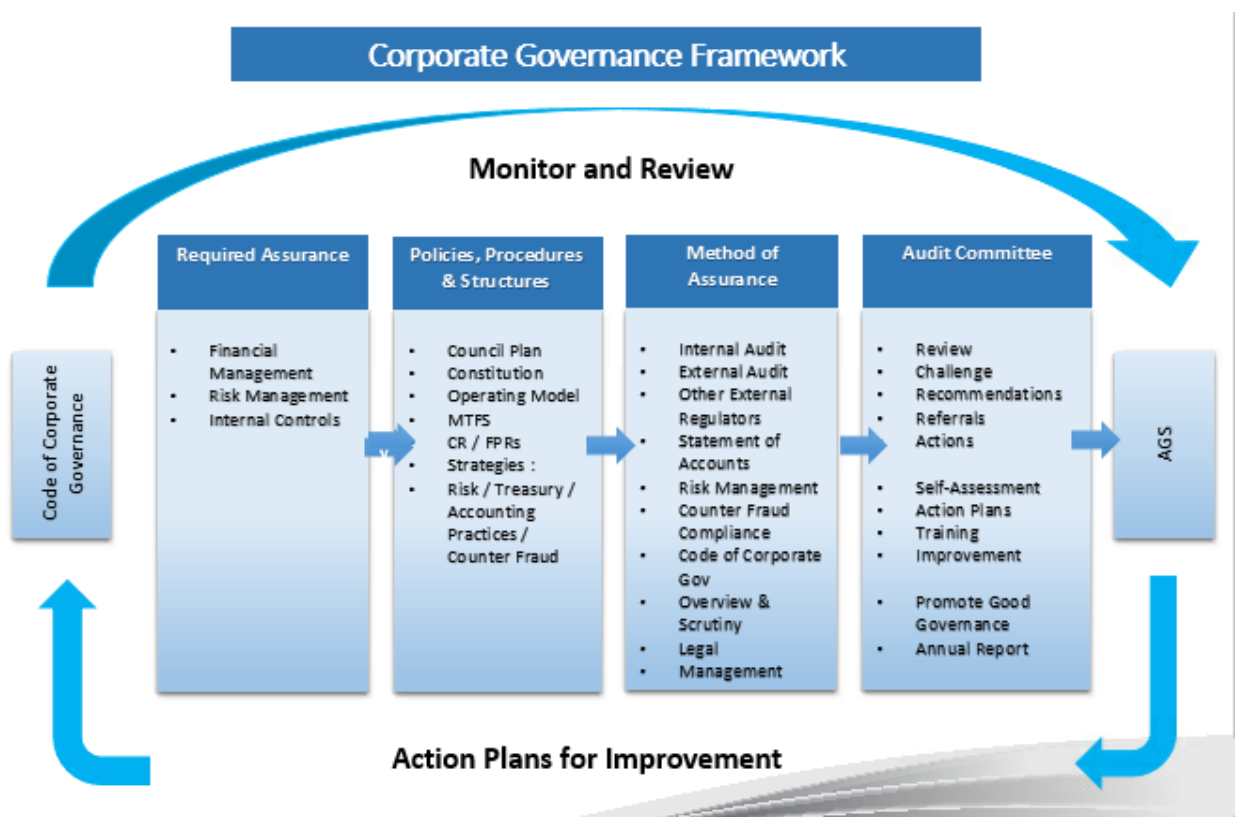
## 2 Introduction

- 2.1 The Audit Committee is a key part in the Council's Governance Framework. It provides independent governance assurance over the adequacy of the Council's governance and risk management frameworks, the internal control environment, and the integrity of the financial reporting. By overseeing internal and external audit and other regulators, the Committee makes an important contribution by ensuring effective assurance arrangements are in place.
- 2.2 How the Audit Committee fulfils this role is detailed within the Committee Terms of Reference (December 2018). It states that the Audit Committee's role and functions will be to:
- A** Review the effectiveness of the Authority's systems of corporate governance, internal control and risk management, and to make reports and recommendations to the County Council on the adequacy and effectiveness of these arrangements.
  - B** Oversee the reporting of the statutory financial statements to ensure the balance, transparency and integrity of published financial information, as well as the review of the financial statements prepared by the authority and recommendation to County Council; and  
  
Review and scrutinise the County Council's financial affairs, and to make reports and recommendations on them. The role of the Committee is to assure the budgetary control systems of the Council rather than the scrutiny of the use and value for money of expenditure which is the role of the respective Overview and Scrutiny Committees.
  - C** Monitor the performance and effectiveness of the internal and external audit functions within the wider regulatory context.
  - D** Report to the Council annually, summarising the Committee's activities and recommendations.
- 2.3 The full Terms of Reference for Audit Committee are detailed at Appendix A.
- 2.4 In supporting the Audit Committee deliver its terms of reference, there is a strong contribution from the independent member, the external advisors and regulators and the Internal Audit Team.

### 3 Work of the Audit Committee and its Effectiveness

- 3.1 The Committee has worked within its Terms of Reference, which includes the requirement to monitor and review governance, risk management, financial management and internal controls within the Council to ensure there is an appropriate and effective framework in place. This process is demonstrated in Graphic 1 below.
- 3.2 The Audit Committee provides the Council with an independent opinion of the effectiveness of the Governance arrangements within the Council including those of the internal and external audit function.

**Graphic 1 – Corporate Governance Framework**



- 3.3 As referred to at 2.2, the Audit Committee’s Terms of Reference is split into four main areas referenced A-D. Within tables 1-4 below the Audit Committee demonstrates how it has met and fulfilled its Terms of Reference by receiving, reviewing, challenging and approving the following reports.

**Table 1 – Terms of Reference A**

<b>TOR A : To review the effectiveness of the Authority's systems of corporate governance, internal control and risk management</b>		
<b>Committee Date</b>	<b>Report Received</b>	<b>Committees Resolution</b>
05/06/2019	Annual Governance Statement (AGS) 2018/19	That the Committee recommends to the Council the AGS 2018/19 to be attached to the Statement of Accounts.
05/06/2019	Internal Audit Annual Report	The report and Internal Audit Annual opinion be noted.
05/06/2019	Internal Audit Progress Report	Report be accepted.
10/07/2019	Risk Management Update	Assured risks are being managed throughout the year; and Mid-year report to be received on the entire Risk Management system.
11/09/2019	Internal Audit Progress Report	Report be accepted.
11/09/2019	Annual Review of Strategic Risks	The Audit Committee is assured by the Council's strategic approach to Risk Management; and That the Committee receives the revision of the Risk Management 2019/20 Strategy at the next meeting.
11/09/2019	Annual Improvement Report (AIR) of the Auditor General for Wales	Assured by the Auditor General for Wales Annual Improvement Report for 2018/19.
20/11/2019	Asset Disposal and Capital Receipts Generated 2018/19	Report be noted.
20/11/2019	Use of Consultants	Committee is assured that expenditure on consultants is being controlled and the Council is achieving value for money. Therefore the Committee no longer require an annual report.
20/11/2019	Risk Management Update	Status of informal overview of Strategic risks for 2019/20 priorities of the Council be noted; and That the committee to receive risk management framework and guidance at January audit committee be noted.
20/11/2019	Contract Management	The Internal Audit service monitor the delivery of portfolio action plans to improve contract management and undertaken a follow up during 2020/21.
20/11/2019	Internal Audit Progress Report	Report is noted; That future progress reports be condensed to include details of overdue actions on only high and medium priority actions and any areas where valid reasons had not been provided for actions older than six months and overdue; and The amber / red reports on Alltami Stores and Highway Cost recovery be referred to the Environment Overview and Scrutiny Committee.
20/01/2020	Code of Corporate Governance	Updated Code of Corporate Governance be endorsed as part of the Council's Constitution.
20/01/2020	Internal Audit Progress Report	The reported be accepted.
20/01/2020	Financial Procedural Regulations	The updated FPRs be endorsed and recommended for submission to Council.

**Table 2 – Terms of Reference B**

<b>TOR B : To Oversee the reporting of the statutory financial statement's process and review and scrutinise the County Council's financial affairs</b>		
<b>Committee Date</b>	<b>Report Received</b>	<b>Committees Resolution</b>
10/07/2019	Draft Statement of Accounts 2018/19	<ul style="list-style-type: none"> <li>The Draft Statement of Accounts be noted; and</li> <li>Members note the ability to discuss any aspect of the Accounts with officers.</li> </ul>
10/07/2019	Supplementary Financial Information to Draft Statement of Accounts 2018/19	Report is noted.
10/07/2019	Draft Clwyd Pension Fund Statement of Accounts 2018/19	Report is noted.
10/07/2019	Treasury Management Annual Report 2018/19	Draft Treasury Management report is noted with no matters to be drawn to the attention of Cabinet on 24 September 2019.
10/07/2019	Treasury Management Quarter 1 Update 2019/20	Report is noted.
11/09/2019	Statement of Accounts 2018/19, including WAO ISA presentation	<ul style="list-style-type: none"> <li>Final version of the Statement of Accounts 2018/19 be recommended for approval by County Council;</li> <li>The WAO ISA presentation be noted; and</li> <li>The letter of representation be recommended for approval by County Council.</li> </ul>
20/11/2019	School Reserves Balances Year End 31 March 2019	The School Reserve Balances as at 31/03/2019 be noted.
20/11/2019	Asset Disposal and Capital Receipts Generated 2018/19	Report is noted.
20/11/2019	Treasury Management Mid-Year Review and Quarter 2 Update 2019/20	The Draft Treasury Management Mid-Year Report 2019/20 be recommended to Cabinet on 17 December 2019.
20/11/2019	Use of Consultants	Committee is assured that expenditure on consultants is being controlled and the Council is achieving value for money. Therefore the Committee no longer require an annual report.
20/11/2019	Outcome of Estyn Report Inspection	The Committee receives and acknowledges the findings of the Estyn report on Education Services in Flintshire.
20/11/2019	Certification of Grants and Returns 2018/19	<p>The content of the Grant Claim Certification report 2018/19 be noted;</p> <p>That progress on actions arising from 2017/18 report be noted; and</p> <p>The changes made to the grant external audit process from 2019/20 be noted.</p>
29/01/2020	Treasury Management Strategy 2020/21 and Treasury Management Quarter 3 Update 2019/20	<ul style="list-style-type: none"> <li>After reviewed the draft Treasury Management Strategy 2020/21 the Committee has noted specific issues to be reported to Cabinet on 18 February 2020; and</li> <li>The Treasury Management 2019/20 Quarterly update report be noted.</li> </ul>
29/01/2020	Wales Audit Office (WAO) – Annual Audit Letter 2018/19	The Wales Audit Officer Annual Audit Letter 2018/19 be noted.

**Table 3 – Terms of Reference C**

<b>TOR C : To monitor the performance and effectiveness of the internal and external audit functions</b>		
<b>Committee Date</b>	<b>Report Received</b>	<b>Committees Resolution</b>
05/06/2019	Internal Audit Annual Report	The report and Internal Audit Annual opinion be noted.
05/06/2019	Internal Audit Progress Report	The report be accepted.
05/06/2019	Internal Audit Charter	The updated Audit Charter be approved.
11/09/2019	Statement of Accounts 2018/19, including WAO ISA presentation	<ul style="list-style-type: none"> <li>Final version of the Statement of Accounts 2018/19 be recommended for approval by County Council; and</li> <li>The WAO ISA presentation be noted.</li> </ul>
11/09/2019	Annual Improvement Report (AIR) of the Auditor General for Wales	Assured by the Auditor General for Wales' Annual Improvement Report for 2018/19.
11/09/2019	Internal Audit Progress Report	Report is accepted
20/11/2019	Internal Audit Progress Report	<p>Report is noted;</p> <p>That future progress reports be condensed to include details of overdue actions on only high and medium priority actions and any areas where valid reasons had not been provided for actions older than six months and overdue; and</p> <p>The amber / red reports on Alltami Stores and Highway Cost recovery be referred to the Environment Overview and Scrutiny Committee.</p>
29/01/2020	Wales Audit Office (WAO) – Annual Audit Letter 2018/19	The Wales Audit Officer Annual Audit Letter 2018/19 be noted.
29/01/2020	Internal Audit Progress Report	The reported be accepted.



**Table 4 – Terms of Reference D**

<b>TOR D :</b>	<b>To report to the Council annually, summarising the Committee's activities and Recommendations (<i>demonstrating the Committees' effectiveness</i>)</b>	
<b>Date of Committee</b>	<b>Report Received</b>	<b>Committees Resolution</b>
Part D of the Terms of Reference was new to 2018/19.		
11/09/2019	Appointment of Lay Member of Audit Committee	The Audit Committee recommends to full Council that Allan Rainford be appointed to the Audit Committee until the end of December 2021.
11/09/2019	Audit Committee Annual Report	The Audit Committee endorses the Annual Report for 2018/19 prior to its submission to Council for approval on 22 October 2019.

- 3.4 Any actions raised by Audit Committee after reviewing and considering these reports are detailed at Appendix B.
- 3.5 The Committee's Forward Work programme for 2020/21 is detailed at Appendix C.

## 4 Internal Audit Opinion

- 4.1 The Internal Audit Service to Flintshire County Council is required to provide the Council (through the Audit Committee) with an opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. In giving that opinion it should be noted that assurance can never be absolute. The most that the Internal Audit Service can provide to the Council is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes. The assurance opinion is based on the matters which were identified during the work of Internal Audit and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.
- 4.2 The Audit Committee has been given assurance that there has been no limitations made on the scope of Internal Audit coverage during the year.
- 4.3 Due to current pandemic and all committee meetings being cancelled the Internal Audit Manager presented the Annual Internal Audit Report for the year 2019/20 to Audit Committee in September 2020 which includes the following assurance opinion.

**For the year ending 31 March 2020, based on the work we have undertaken, my opinion is that Flintshire County Council has an adequate and effective framework of governance, risk management and internal control.**

- 4.4 One audit was given a 'Red / Limited' assurance level during the year (2018/19 two audits, 2017/18, three audits, 2016/17 four audits & 2015/16 six audits), where an urgent system revision was required. Whilst this audit indicated areas where controls needed to be improved, they are not significant in the context of the Authority's whole control environment.
- 4.5 Overall 55% of assurance opinions issued were either Green or Amber Green providing the Committee with assurance that in the main there are effective arrangements in place for governance, risk management, financial management and internal control.
- 4.6 In order for the Internal Audit team to be in position to undertake such work and deliver this audit opinion, it has an unfettered high profile role within the Council, and has developed and holds an excellent trusted working relationship with portfolios. The breadth of the work has grown in recent years seeing a significant increase in requests for advisory, consultancy and commissioned work.

## 5 Audit Committee Membership and Attendance

- 5.1 The Council has determined that the membership of its Audit Committee will consist of seven elected Members and two Independent Lay Members (as required by the Local Governance (Wales) Measure 2011). The Independent Lay Members are appointed for a period of four years and Council Members are reappointed annually. The first lay member was appointed in 2017 and the second in September 2019.
- 5.2 The Committee is serviced by Council Officers, principally the Chief Executive, the Chief Officer, Governance (Council’s Monitoring Officer), the Corporate Finance Manager (Section 151 Officer) and the Internal Audit Manager. Representatives from Corporate Finance, Corporate Business and Communications, and Audit Wales also attend Audit Committee.
- 5.3 The Audit Committee met on five separate occasions during 2019/20 as the last meeting of the financial year was cancelled due to the emergency of the pandemic. For each meeting, the Committee were quorate and there were sufficient Elected Members to generate an informed discussion on the matters raised. The attendance by members demonstrates their continued commitment to the Audit Committee.

**Table 5 – Audit Committee Meeting 2019/20**

Present	05/06/19	10/07/19	11/09/19	20/11/19	29/01/20	25/03/20	Total Meetings Attended
Cllr C Dolphin (Chair)	Yes	Yes	Yes	Yes	Yes	Cancelled due to the Pandemic	5
S Ellis (Independent Member & Vice-Chair)	Yes	Yes	Yes	Yes	Yes		5
Cllr G Collett	Apology	Yes	Yes	Yes	Yes		4
Cllr A Dunbobbin	Yes	Yes	Apology	Apology	Yes		3
Cllr A Holgate	Apology	Apology	Yes	-	-		1
Cllr P Johnson	Yes	Yes	Yes	Yes	Yes		5
Cllr A Woolley	Yes	Yes	Yes	Yes	Yes		5
Cllr P Heesom	Yes	Yes	Yes	Yes	Apology		4
Cllr J Axworthy (new member from Nov 19)	-	-	-	Yes	Yes		2
A Rainford (New Independent Member from Nov 19)	-	-	-	Yes	Yes		2
Cllr C Carver (Substitute)	Yes	Yes	N/A	N/A	N/A		2
Cllr I Dunbar (Substitute)	N/A	N/A	Yes	N/A	N/A		1
<b>Total for Committee</b>	<b>7</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>		<b>-</b>
Other Members Present as Observers	5	0	5	2	1		
<b>Attendance Ratio for 2019/20</b>				97.5%			
<b>Attendance Ratio for 2018/19</b>				95.8%			
<b>Attendance Ratio for 2017/18</b>				87.5%			

- 5.4 All members of the Committee, including any substitutes have received the required Audit Committee training prior to attending their first Audit Committee meeting. All meetings were held in open sessions and papers are available on the Council's website. Officers from the Council's External Auditors, Audit Wales (AW) were present at each of the meetings.

## 6 Self-Assessment, Training & Development

### Audit Committee Self-Assessment

- 6.1 In September 2018, the Audit Committee held a self-assessment workshop where the performance and effectiveness of the Committee was reviewed against the best practice set out by CIPFA. The workshop was interactive with a positive discussion taking place regarding the delivery of the Committee's core role and function. Following the self-assessment an action plan (Appendix D) was developed and will be used to monitor performance.
- 6.2 In October 2019, new to Wales, a Chair and Vice Chairs of Audit Committee Network was established and held in Llandrindod Wells. This was attended by the Vice Chair of the Audit Committee and the Internal Audit Manager. In November an update was provided to the Committee on the key aspects of the session. It was agreed that the self-assessment workshop for 2019/20 to be arranged for March would be based on the facilitation work shop held at the network event. Due to the Pandemic this Self-Assessment workshop has not taken place, therefore Appendix D shows the progress against the 2018/19 self-assessment workshop. A further Chair and Vice Chairs of Audit Committee Network will be held in November 2020.

### Audit Committee Training and Development

- 6.3 During the year members of the Audit Committee attended and received a number of formal training courses and awareness sessions. Table 6 provides details of this.

**Table 6 – Audit Committee Training & Development**

Topic	Date	Type of Training	Coverage
Audit Committee Member Training	25/09/2019	Governance; Risk; Financial Control; Fraud Awareness; & External Audit	Training provided to a new substituting member of the Audit Committee.
Chair and Vice Chairs of Audit Committee's Network Seminar	10/10/2019	Overview to Audit Committees; Risk Management and Annual Governance Statement	Full day session covering: Governance and Assurances Risk Management Facilitation Workshop – The Influential Audit Committee.
Chair and Vice Chairs of Audit Committee's Network Seminar	20/11/2019	Governance; Risk Management and Annual Governance Statement	Presentation and explanation of the Chair and Vice Chairs of Audit Committee's Network Seminar attended (above)
Code of Corporate Governance	20/11/2019	Governance	Presentation and explanation of the Code of Corporate Governance and how this feeds into the Governance framework.
Treasury Management	29/01/2020	Financial	Half day external training session provided on the Council's approach to Treasury Management.
Annual Governance Statement	05/06/2020	Governance	Presentation and explanation of the Annual Governance Statement.
Statement of Accounts	05/06/2020	Accounts	Presentation and explanation of the Statement of Accounts.

## 7 Future Priorities

- 7.1 The Committee's Forward Work Programme (Appendix C) will continue to be reviewed to ensure the contribution to governance, risk management, financial management and internal control is maximised.

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## Audit Committee's Terms of Reference

## Appendix A

### 7.00 Article 7 - Statement of Purpose:

The terms of reference sets out the Audit Committee's position in the governance structure of the Council.

The Audit Committee is a key component of Flintshire County Council's (the Council's) corporate governance. It provides an independent and high level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

### 7.01 Role:

The Audit Committee's role and functions will be to:

**A.** Review the effectiveness of the Authority's systems of corporate governance, internal control and risk management, and to make reports and recommendations to the County Council on the adequacy and effectiveness of these arrangements.

**B.** Oversee the reporting of the statutory financial statement's process to ensure the balance, transparency and integrity of published financial information, and to review the financial statements prepared by the authority and recommend them to County Council; and

Review and scrutinise the County Council's financial affairs, and to make reports and recommendations on them. The role of the Committee is to assure the budgetary control systems of the Council rather than the scrutiny of the use and value for money of expenditure which is the role of the respective Overview and Scrutiny Committees.

**C.** Monitor the performance and effectiveness of the internal and external audit functions within the wider regulatory context.

**D.** Report to the Council annually, summarising the Committee's activities and recommendations.

### **A. Corporate Governance, Risk Management and Internal Control**

1. Evaluate whether Senior Accountable Officers and service teams are setting the appropriate "control culture" by communicating the importance of internal control and risk management.

2. Consider and assure the annual update of the Code of Corporate Governance against the 'Delivering Good Governance Framework (Wales)'.

3. Consider and assure the draft Annual Governance Statement and make appropriate recommendations/observations prior to its submission to the Council's Regulators.

4. Evaluate the overall effective development and operation of the internal control and risk management frameworks and consider whether actions raised by the internal and external auditors have been implemented by Senior Accountable Officers.
5. Review and assure the Risk Management Strategy through regular reports on risk management and business continuity plans, processes and outcomes.
6. Monitor progress in addressing risk related issues reported to the Committee.
7. Consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the Council.
8. Keep under review the Council's Anti-Fraud and Corruption Strategy, Fraud Response Plan and Whistleblowing Policy and the assessment of fraud risks and potential harm to the Council from Fraud and Corruption.
9. Consider the Council's arrangements to secure value for money and review assurances and assessment on the effectiveness of these arrangements.
10. Receive reports on all fraud identified and any other special investigations, and action taken.
11. Consider how Senior Accountable Officers are held to account for the security of computer systems and applications to protect against computer fraud or misuse.
12. Ensure the rigorous application of the agreed protocol for the reporting and decision making over business cases for collaborative projects, the management of the transition for approved collaborations, and the subsequent performance management arrangements for the new collaborative services.
13. Obtain regular updates from Senior Accountable Officers and legal advice regarding compliance matters, and be satisfied that all compliance matters have been considered in preparing the financial statements.
14. The Chair and Vice Chair of the Audit Committee together with the Chairs and Vice Chairs of the six Overview and Scrutiny Committees will attend the Chair and Vice Chair Liaison Group with the primary aim to reduce duplication of work, ensure there is a shared coverage of the Council's risk profile and escalate poor performance between respective Committees.

Appendix A of the Audit Charter provides a diagram of the co-ordination of work between the Overview and Scrutiny Committees and Audit Committee.

## **B. Financial:**

### **Statutory Financial Statements**

1. Receive the draft Annual Statement of Accounts, together with the underlying accounting policies for information. Consider and comment on the final



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Statement of Accounts following the receipt of the proposed audit opinion from the Wales Audit Office prior to recommending their approval to the Council.

2. Understand the controls and processes implemented by Senior Accountable Officers to ensure the financial statements derive from the underlying financial systems, comply with relevant standards and requirements, and are subject to appropriate review.
3. Meet with management and external auditors to review the financial statements, the key accounting policies and judgements, significant accounting and reporting issues and their impact on financial reports, and the results of the audit.
4. Ensure that significant adjustments, unadjusted differences, disagreements with Senior Accountable Officers and critical accounting policies and practice are discussed with the external auditor.

### **Financial Affairs**

5. Understand the internal control systems implemented by Senior Accountable Officers and service team for the approval of transactions and the recording and processing of financial data.
6. Gain an understanding of the current areas of greatest risk around financial controls and advise and assure on risk management.
7. Keep under review the Council's financial procedure rules, contract procedure rules and all other corporate directions concerning financial control.
8. Review and assure the Treasury Management Strategy and Policy, consider quarterly updates on Treasury Management, and make appropriate recommendations / observations to the Cabinet.

### **C. Internal and External Audit**

1. Keep under review the joint working arrangements of the Council's Internal and External Auditors.

#### **Internal Audit**

2. Promote the role of internal audit within the Council, as a key element of its control environment.
3. Review and approve the Internal Audit Charter, outlining the role, scope, independence, authority, responsibility and reporting of the department.
4. Keep under review the organisational structure and resource requirements of the Internal Audit Section and consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Internal Audit Manager. To approve and periodically review safeguards to limit such impairments.

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5. Make appropriate enquiries of both Senior Accountable Officers and the Internal Audit Manager to determine if there are any inappropriate scope or resources limitations.
  6. Review, approve (but not direct) and monitor the delivery of the risk-based internal audit plan, the approach to using other sources of assurance, and any work required to place reliance upon those other sources. Ensure the plan considers changes arising from Government, Assembly or Council initiatives.
  7. Approve significant interim changes to the risk based Internal Audit Plan and resources requirements.
  8. Receive summaries of all internal audit reports issued, highlighting key actions with corporate control implications.
  9. Consider reports from the Internal Audit Manager on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:
    - Updates on the work of internal audit including key findings, issues of concern including monitoring the implementation of agreed actions contained within internal audit reports, receive report on actions not implemented within agreed timescales and seek explanations from officers where required.
    - Regular reports on the results of the Quality Assurance Improvement Programme (QAIP);
    - Reports on instances where the Internal Audit service does not conform to the Public Sector Internal Audit Standards (PSIAS) and Local Governance Advice Note (LGAN), considering whether the non-conformance is significant enough that it must be included in the AGS.
  10. Receive and consider the Internal Audit Manager's annual report:
    - The statement of the level of conformance with the PSIAS and LGAN and the results of the QAIP that support the statement – these will indicate the reliability of the conclusions of Internal Audit.
    - The opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the Committee in reviewing the Annual Governance Statement (AGS).
    - Keep performance indicators under review and evaluate, on an annual basis, the performance and effectiveness of Internal Audit and its compliance with best practice.
  11. Consider summaries of specific internal audit reports as requested.
  12. Receive reports outlining the action taken where the Internal Audit Manager has concluded that Senior Accountable Officers and service teams have accepted a

level of risk that may be unacceptable to the Council or there are concerns about progress with the implementation of agreed actions.

13. Contribute to the Quality Assurance Improvement Programme (QAIP) and in particular, to the external quality assessment of Internal Audit that takes place at least once every five years.
14. Meet separately with the Internal Audit Manager to discuss any matters that the Committee or internal auditors believe should be discussed privately.
15. Should the need arise, arbitrate in the event of any failure to agree between a Senior Accountable Officers and Internal Audit.
16. Discuss with the external auditor the standard of work of internal audit.

### **External Audit and External Regulatory Bodies**

#### **External Audit**

17. Support the independence of external audit through consideration of the external auditors' annual assessment of its independence.
18. Review the external auditors' proposed audit scope and approach for the current year in the light of the Authority's present circumstances and changes in regulatory and other requirements arising from Government, Assembly or Council initiatives.
19. Ensure that the annual audit is undertaken in compliance with statutory requirements.
20. Receive all audit reports, and the annual audit letter, issued by the external auditor, and ensure that all agreed recommendations are implemented.
21. Consider specific reports as agreed with the external auditor.
22. Discuss with the external auditor any audit problems encountered in the normal course of audit work, including any restriction on audit scope or access to information.
23. Meet separately with the external auditors to discuss any matters that the Committee or auditors believe should be discussed privately. Ensure the auditors have access to the chair of the Audit Committee when required.
24. Review, annually, the performance of external audit and co-ordinate any feedback requested from the Wales Audit Office.

#### **External Regulation: Performance**

25. External arrangements for regulation and assurance are provided by a number of statutorily appointed bodies such as the Wales Audit Office (WAO), Estyn and the Care Inspectorate Wales (CIW), plus a number of other external regulatory bodies. To examine how the organisation manages and spends

public money including achieving value in delivery. This work is co-ordinated by the Chief Executive's Business and Communications team and a shared protocol for these working arrangements is in place.

26. To gain assurance and confidence of the Council's response to the external regulatory findings, the Audit Committee will:
  - a) Receive periodic reports from external regulators which will include the Council's response to the reports and ensure that effective processes are in place for setting and monitoring against proportionate and effective action plans.
  - b) Receive an annual report collating external regulatory activity on improvement assessment work which is supplemented by local risk based audit work; and
  - c) Receive the Annual Improvement Report from the Auditor General.

#### **D. Accountability Arrangements**

1. Require the attendance at the Committee of any officer or member, or the submission of a report from any officer, to provide further explanation in connection with any of the above Terms of Reference.
2. Evaluate the Committee's own performance, both of individual members and collectively, on a regular basis.
3. The Committee must meet at least once a year and must also do so if the Council decides or if at least a third of the Committee's members require a meeting. Beyond those requirements, the Committee can meet whenever it likes.
4. The Audit Committee will keep the above Terms of Reference under annual review and propose any amendment to the County Council.
5. Report to full council and publish an annual report on the Committee's performance in relation to the terms of reference and the effectiveness of the Committee in meeting its purpose.

#### **7.02 Composition**

1. The Chair and Vice-Chair of the Audit Committee will be chosen by the Committee itself at its first meeting following each annual general meeting. The Chair and Vice Chair of the Audit Committee will be chosen from amongst the opposition group(s), non-aligned Councillors or lay member on the Council (that is to say from amongst the group(s) none of whose members are included in the Cabinet).
2. The County Council shall appoint two people who is neither a serving Councillor nor an officer of the County Council or any other Council to serve as a lay member of the Committee with full voting rights. The lay member's term of office shall be from the first County Council meeting following the annual general

meeting following the County Council elections until the first County Council meeting after the annual general meeting following the next County Council elections. No more than one member of the Committee shall be on the Council's Cabinet. The Council Leader cannot be a member of the Committee.

3. It is the express wish of the Council that there should be continuity of membership of the Audit Committee so as to build up a body of expertise and maintain a consistency of approach.
4. In recognising the express wish of the Council, but observing the requirements of the legislation for political balance, the Audit Committee will comprise seven Members with the seats allocated in accordance with the legislation to the appropriate political groups and two lay members. Any proposed substitution shall comply with Council Procedure Rule 22.4 and the proposed substitute shall have attended relevant training. Substitutes will only be permitted where the Audit Committee, at the commencement of its meeting, agrees that good reasons exist for substitution.
5. Members will receive induction training on appointment to the Committee. Ongoing training will be provided as necessary to meet the requirements of the Committee, based on the skills and experience of the members.
6. The business of the Committee shall be conducted apolitically.

## Audit Committee Actions Raised – 2019/20

## Appendix B

Item No.	Report	Action Required	Action Taken	Status
<b>5<sup>th</sup> June 2019</b>				
6	Annual Governance Statement 2018/19	Para 1.05 2018/19 not 2017/18 (to amend for FCC).	The Annual Governance Statement has been updated to reflect this change.	Closed
6	Annual Governance Statement 2018/19	People Strategy update to be scheduled for Corporate Resources Overview & Scrutiny Committee.	The People Strategy is included on the September Forward Work Plan for Corporate Resources Overview & Scrutiny Committee.	Closed
7	Internal Audit Annual Report	In response to Sally's question, to review the level of audit work in Social Services with the Chief Officer and provide a response to the Committee.	<p>A review of the Audit Plan for Social Services has been performed considering:</p> <ul style="list-style-type: none"> <li>• Benchmarking of plans across North Wales;</li> <li>• Re review of risk assessment undertaken as part of the 19/20 planning process; and</li> <li>• Analysis of historical audit assurance opinions within Social services.</li> </ul> <p>The findings of this review were discussed with the Chief Executive and Chief Officer for Social Services on 7<sup>th</sup> August.</p> <p>Audit Committee members were emailed the outcome of this review on the 8<sup>th</sup> August.</p>	Closed
7	Internal Audit Annual Report	To realign page numbers on index of final version.	Annual Report numbering has been aligned.	Closed
9	Internal Audit Progress Report	<p>To consider follow-up to ensure the ethical behaviour of contractors.</p> <p>To take on board Sally's suggestion to focus on common areas of weakness and lessons learned.</p>	Within standard service contracts, there is a set of clauses which would allow the Council to set off against any future sums due.	Closed
<b>10<sup>th</sup> July 2019</b>				
16	Draft Statement of	Note 28 (p.45 of accounts)	As the Council is already in talks with BCUHB, the	Closed

Item No.	Report	Action Required	Action Taken	Status
	Accounts 2018/19	To write to BCUHB to raise the Committee's concerns about the amount owed to the Council.	<p>Chief Executive has requested the Chief Officer, Social Services, and the Revenues Manager to formally share the minuted concerns of the Audit Committee regarding the level of debt owed to the Council by BCUHB. In response to this:</p> <ul style="list-style-type: none"> <li>• Chief Officer, Social Services has advised this will be raised in Flintshire's Senior Leadership Meeting (quarterly), in the Regional Leadership Meeting (monthly) and in the East Area Strategic Transformation Group (quarterly).</li> <li>• The Corporate Finance Manager has also raised the issue at the North Wales Treasurers meeting a couple of weeks ago with the new Director of Finance, who has requested further details from all colleagues and committed to following up quickly.</li> <li>• The Revenues Manager will provide a comprehensive report showing the breakdown of all outstanding invoices, including the aged-debt analysis for this next meeting.</li> </ul>	
16	Draft Statement of Accounts 2018/19	To highlight with the Audit Committee / Overview & Scrutiny liaison group for the Social & Health Care OSC to monitor the concerns relating to the level of debt owed to the Council by BCUHB.	This has been included within the risks reviewed by the Chair and Vice Chair of the Audit Committee / Overview & Scrutiny Committees Liaison Group.	Closed
16	Draft Statement of Accounts 2018/19	To split the individual amounts owed to the Council by the NWP&CC and NW Fire Authority in the document.	Split out in final version of 2018/19 Statement of Accounts.	Closed
16	Draft Statement of Accounts 2018/19	For the 2019/20 accounts, to expand on footnotes for the three subsidiary companies to reflect high-level activities and risk summary for each.	Additional information has been included in 2019/20 Group Accounts.	Closed

Item No.	Report	Action Required	Action Taken	Status
18	Draft Clwyd Pension Fund Accounts 2018/19	To include a summary of points raised by the Clwyd Pension Fund Committee on the draft accounts in future covering reports to the Audit Committee.	A summary of any issues raised by the Clwyd Pension Fund Committee will be included in future reports.	Closed
18	Draft Clwyd Pension Fund Accounts 2018/19	To circulate the agreed date for the Treasury Management training session.	The provisional Treasury Management training date of 11 <sup>th</sup> December 2019 has been shared with the Chair and Vice Chair of the Audit Committee.	Closed
18	Draft Clwyd Pension Fund Accounts 2018/19	To share the following points with the Clwyd Pension Fund Committee to satisfy itself with the explanations given: <ul style="list-style-type: none"> <li>• Increase in oversight and governance expenses;</li> <li>• Fund manager diversification;</li> <li>• Monitoring of red risks in the AGS.</li> </ul>	This will be shared at the next Clwyd Pension Fund Committee.	Closed
19	Treasury Management Annual Report 2018/19 and 2019/20 Quarter 1 update	To include more detail on the borrowing strategy in the Treasury Management training session.	Further information on borrowing will be included in the training. This will include type and maturity of borrowing decisions, and relationship with Capital Finance Requirement and Minimum Revenue Provision.	Closed
20	Risk Management update	(b) That a mid-year report be received on the entire risk management system.	A report on the Council's Risk Management System has been included within the Forward Work Programme in September 2019.	Closed
20	Risk Management update	Capital borrowing limits for Council housing (ST155) - to share the outcome of the Welsh Government decision on the borrowing cap with the Committee.	It is confirmed that Welsh Government intend to lift the borrowing cap agreed as part of the original self-financing agreement introduced in April 2014. Work is currently underway, through legal colleagues, to terminate the Voluntary Agreement under which each authority exited the former Housing Revenue Account Subsidy scheme.	Closed
<b>10<sup>th</sup> September 2019</b>				
26	Internal Audit Progress Report	Alltami Stores Follow-Up to be raised at the next liaison group meeting for referral to the Environment	This will be raised at the next Liaison Group between the Chairs and Vice Chairs.	Closed



Item No.	Report	Action Required	Action Taken	Status
		Overview & Scrutiny Committee.		
26	Internal Audit Progress Report	Review meeting with CE, LB and Chief Officer on outstanding actions for Alltami Stores follow-up.	A meeting was held on the 4 November between CE, LB and the Chief Officer for Streetscene & Transportation.  Following the meeting the Chief Officer has provided a detailed update on the work to date within the service. This update is included within para 1.07 of the covering report for the Internal Audit Progress Report for November 2019 committee.	Closed
26	Internal Audit Progress Report	Review meeting with CE, LB and Chief Officer on outstanding actions for Planning Enforcement. Update to be provided to the Committee, aiming for the November meeting.	A meeting was held on the 4 November between CE, LB and the Chief Officer for Planning, Environment & Economy.  Following the meeting, the Chief Officer has provided a detailed update on the work to date within the service. This update is included within para 1.08 of the covering report for the Internal Audit Progress Report for November 2019 committee.	Closed
29	Strategic Risk Management Update	That the Committee receives a revised version of the Risk Management Strategy at the next meeting.	This will be provided to the January 2020 Audit Committee.	Closed
31	Audit Committee Annual Report	That the Committee endorses the annual report for 2018/19 prior to its submission to Council for approval on 22 October 2019.	The Annual Report for Audit Committee was presented to Council on the 22 October where the report was approved.	Closed
<b>20<sup>th</sup> November 2019</b>				
37	Minutes 11/09/19	To update the Committee on the current debt owed by the Local Health Board.	Accountancy have confirmed that the latest position of the Local Health Board's outstanding debt will be shared with members of the committee prior to the next meeting in January.	Closed
38	School Reserve Balances y/e 31/03/19	To circulate the revised Protocol for Schools in Financial Difficulty to the Audit Committee	The revised protocols for Schools In Financial Difficulty was emailed to all members of the	Closed

Item No.	Report	Action Required	Action Taken	Status
			Committee on 21/11/19.	
38	School Reserve Balances y/e 31/03/19	To formally request that all schools put the revised Protocol for Schools in Financial Difficulty on their next agendas with governing bodies.	All schools were emailed on the 28/11/2019 requesting that the revised Protocol for Schools in Financial Difficulty is included on the agenda for their next Governing Body committee.	Closed
44	Contract Management	That a follow-up report be included in the 2020/21 Audit Plan to be brought back to the Committee as a formal report.	A follow up audit on Contract Management will be include within the 2020/21 Annual Plan and a report will be brought back to committee once completed.	Closed
46	Internal Audit Progress Report	That future progress reports be condensed to include details of overdue actions on only high and medium priority actions and any areas where valid reasons had not been provided for actions older than six months and overdue.	The report for January 2020 has been amended to reflect the changes discussed during the November meeting.	Closed
46	Internal Audit Progress Report	That the amber/red report on Alltami Stores and Highways Cost Recovery be referred to the Environment Overview & Scrutiny Committee.	This request has been referred to Democratic Services for inclusion within the Environment Overview & Scrutiny forward work programme. The Chief Officer for this service has also been updated regarding this request.	Closed
<b>29<sup>th</sup> January 2020</b>				
52	Treasury Management Strategy 2020/21	To report back to the Committee later in the year on actions to meet the new requirements on non-treasury investments and compliance with disclosures on skills, culture and climate change.	Discussions ongoing with Treasury Management Advisors. Update to be given later in this calendar year.	Closed
52	Treasury Management Strategy 2020/21	To circulate the Capital Strategy with prudential indicators.	Capital Strategy circulated on 05/02/2020.	Closed
52	Treasury Management Strategy 2020/21	To share a previous example where a council had undertaken short-term borrowing from Flintshire.	Oldham example circulated 10/03/2020.	Closed
55	Financial Procedure Rules	To strengthen wording in the first sentence of section	The wording has been revised and will be included	Closed

Item No.	Report	Action Required	Action Taken	Status
		4.3 which currently stated that the requirement for an Internal Audit function was 'implied' by the legislation.	in the report to Constitution Committee 05/03/2020.	
55	Financial Procedure Rules	To soften wording in section 4.1(e) on the admission of liability, incorporating that employees in this situation are encouraged to seek the necessary advice.	The wording has been revised and will be included in the report to Constitution Committee on 05/03/2020.	Closed
57	Action Tracking	To share the latest position on the Health Board's outstanding debt with the Committee.	Members were advised by email on the 07/02/2020 of the latest level of debt owed by the Local Health Board.	Closed

## Audit Committee Forward Work Programme – 2020/21

## Appendix C

Meeting Date	Agenda Item	Assurance Type	Int. / Ext. Assurance
09/09/2020	Statement of Accounts 2019/20	Accounts	Internal
	Internal Audit Annual Report 2019/20	Governance, Risk, Financial & Control	Internal
	Internal Audit Progress Report 2020/21	Governance, Risk, Financial & Control	Internal
	Audit Wales Annual Audit Plan (AW) 2020	External Audit	External
	Annual Report on External Inspections 2018	Corporate Governance	External
	Certification of Grants and Returns Report (AW)	Financial Management	External
	Quarterly Report on Pandemic Response	Corporate Governance	Internal
	Audit Committee Action Tracking	-	-
Forward Work Programme	-	-	
18/11/2020	School Reserves – Annual Report on School Balances	Financial Management	Internal
	Audit Committee Annual Report	Corporate Governance	Internal
	Asset Disposals and Capital Receipts	Financial Management	Internal
	Treasury Management 2020/21 – Mid Year Report	Financial Management	Internal
	Approach to AGS and Member Involvement	Corporate Governance	Internal
	Risk Management Update – Mid Year Report	Financial Management	Internal
	Report on Pandemic Response	Corporate Governance	Internal
	Internal Audit Progress Report 2020/21	Governance, Risk, Financial & Control	Internal
	Audit Committee Action Tracking	-	-
	Forward Work Programme	-	-
Private Meeting	-	Internal & External	
27/01/2021	Annual Improvement Report (AW) (2019/20)	Corporate Governance	External
	Treasury Management 2020/21 Q3 Update and 2021/22 Strategy	Financial Management	Internal
	Code of Corporate Governance	Corporate Governance	Internal

Meeting Date	Agenda Item	Assurance Type	Int. / Ext. Assurance
	Annual Audit Letter	Accounts	External
	Financial Procedural Rule (FPRs)	Financial Management	Internal
	Report on Pandemic Response	Report on Pandemic Response	Internal
	Internal Audit Charter	Governance, Risk, Financial & Control	Internal
	Internal Audit Progress Report 2020/21	Governance, Risk, Financial & Control	Internal
	Audit Committee Action Tracking	-	-
	Forward Work Programme	-	-
24/03/2021	Risk Management Update	Risk Management	Internal
	Treasury Management 2020/21 Q4 Update	Financial Management	Internal
	Audit Plan (AW)	External Audit	External
	Annual Report on External Inspections 2019	Corporate Governance	External
	Certification of Grants and Returns Report (AW)	Financial Management	External
	Report on Pandemic Response	Report on Pandemic Response	Internal
	Internal Audit Strategic Plan 2021/2024	Internal Audit	Internal
	Public Sector Internal Audit Standards Compliance 2020/21	Internal Audit	Internal
	Internal Audit Progress Report 2020/21	Governance, Risk, Financial & Control	Internal
	Audit Committee Action Tracking	-	-
	Forward Work Programme	-	-
	Private Meeting (AW and Internal Audit)	Corporate Governance	Internal & External

## Audit Committee Self-Assessment and Action Plan (based on 2018/19)

## Appendix D

Ref	Topic	1	2	3	4	5	Action	Status of Action
		Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly Disagree		
<b>Purpose of Audit Committee:</b>								
1	Each Audit Committee member understands the Committee has different roles and responsibilities to those of Overview & Scrutiny?	2	4	0	0	0	<b>Action:</b> None	<b>Status:</b> Implemented & Ongoing - The joint committee of Chairs and Vice chairs will now assign risks to one of the Overview & Scrutiny Committees.
2	The Audit Committee's Terms of Reference clearly defines and accurately reflects its responsibilities in promoting good governance and acting independent and objective at all times?	2	4	0	0	0	<b>Action:</b> Update and present revised TOR and Charter to the November Audit Committee.	<b>Status:</b> Implemented - Revised TOR and Charter presented to Audit Committee and Constitution and Democratic Services Committee in November and approved by Council in December 2018.
							<b>Action:</b> Review the timing of the meetings should new members join the Committee.	<b>Status:</b> Implemented – Timing of meetings reviews and agreed to remain the same. Also identified the need for an additional lay member to the Committee.
<b>Governance:</b>								
3	The Audit Committee is regarded as being an essential part of the Council's corporate governance framework?	2	2	2	0	0	<b>Action:</b> It was agreed that next year the same question would be ask of Overview & Scrutiny Committees, Cabinet Members and Chief Officers.	<b>Status:</b> Outstanding - This will be undertaken for next year's self-assessment. Due to the Pandemic this did not take place.

Ref	Topic	1	2	3	4	5	Action	Status of Action
		Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly Disagree		
4	The Audit Committee provides meaningful assurance to Council and management as to the effectiveness of areas such as Corporate Governance, Risk Management, Financial management and Internal Control?						<p><b>Action:</b> Given the Audit Committee members are relatively new to the Committee guidance on the areas to consider / focus in relation to the statement of accounts would greatly benefit the members. Any major paper to be presented to AC, a short briefing on the subject is to take place at the Committee meeting before (statement of accounts and AGS).</p>	<p><b>Status:</b> Implemented – also this continues on an ongoing basis.</p>
		1	2	2	1	0	<p><b>Action:</b> The Committee discussed the overall assurance opinion determined by the Internal Audit Manager at the year end. The Committee felt that it would be useful to have a cumulative picture of this. It was agreed that the Internal Audit Progress report would provide an on-going summary of the assurance provided throughout the year.</p>	<p><b>Status:</b> Implemented - The Internal Audit Progress Report has been revised to provide a summary of the assurance opinions given on an ongoing basis.</p>
							<p><b>Action:</b> The risk profile of the Council was discussed on how the Committee could obtain assurance in relation to those strategic risks which effectively are out of the control of the Council. It was agreed that areas such as the Council's response to continuity plans e.g. BREXIT, could be explored.</p>	<p><b>Status:</b> Implemented &amp; Ongoing - this forms part of the work of the Joint Chair and Vice Chairs Committee.</p>
							<p><b>Action:</b> The impact on decision making was discussed and the consequential impact on services and the will do versus the does. This could form part of additional work of IA but it also falls under the responsibility of the O&amp;S committees.</p>	<p><b>Status:</b> Ongoing - This will be taken up by the Chairs &amp; Vice Chairs of Overview and Scrutiny and Audit Committee Liaison Group.</p>

Ref	Topic	1	2	3	4	5	Action	Status of Action
		Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly Disagree		
							<p><b>Action:</b> IT Priorities was another topic explored by the Committee as a number of actions appear to be on hold due to IT priorities. The Committee agreed it would be helpful if IT could share with the Committee their approach to demand planning and how management actions fit into this.</p> <p><b>Status:</b> Outstanding.</p>	
							<p><b>Action:</b> The Audit Committee commented that sometimes it was difficult to ‘see the wood for the trees’ with the information they received. Example the AGS is long and wordy when they really need to feel assured. Need to liaise with key officers to share feedback.</p> <p><b>Status:</b> Implemented – presentation of the AGS provided to the Audit Committee.</p>	
							<p><b>Action:</b> The Audit Committee also suggested there may be times they need additional information (as and when) to support the subject they are gaining assurance from.</p> <p><b>Status:</b> Implemented &amp; Ongoing – training will be provided as and when required on an ongoing basis.</p>	
<b>Financial Statements</b>								
5	The Audit Committee obtains sufficient information to provide assurance and make recommendations over the quality and accuracy of the Financial Statements?	0	4	2	0	0	<p><b>Action:</b> Given the Audit Committee members are relatively new to the Committee guidance on the areas to consider / focus in relation to the statement of accounts would benefit the Committee – it was agreed that any major paper to be presented to AC, a short briefing on the subject to take place the Committee meeting before.</p> <p><b>Status:</b> Implemented &amp; Ongoing - Short briefing session on the statement of accounts has been held at the Committee meeting prior to the statement of accounts being presented for consideration.</p>	



Ref	Topic	1	2	3	4	5	Action	Status of Action
		Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly Disagree		
<b>Assurance: - Internal Audit</b>								
6	The Audit Committee obtains sufficient assurance over the quality of the Internal Audit service?	1	5	0	0	0	<b>Action:</b> Develop reporting method to demonstrate further the value of work IA undertakes.	<b>Status:</b> Implemented - To be completed as part of the internal Audit annual report.
7	The Audit Committee obtains sufficient assurance over the Council's approach to Counter Fraud?	0	5	1	0	0	<b>Action:</b> None	<b>Status:</b> N/A
<b>Assurance – External Audit</b>								
8	The Audit Committee obtains sufficient assurance over the quality of the External Audit service?	1	4	0	1	0	<b>Action:</b> None	<b>Status:</b> N/A
<b>Audit Committee - Accountability</b>								
9	Each Audit Committee member has a good understanding of the Council's priorities, statutory obligations and how their role as an Audit Committee member supports them?	1	4	1	0	0	<b>Action:</b> None	<b>Status:</b> N/A
10	Audit Committee members are provided with sufficient training and information?	1	3	0	2	0	<b>Action:</b> Due to the technicality of Treasury Management it was questioned why all members attend the session rather than the session being tailored to the needs of the Audit Committee members and for the training to cover both local and national level.	<b>Status:</b> Implemented - all Members are invited as the responsibility for approving the Strategy sits with full Council. However the training could be tailored to meet any training needs of audit committee members.

Ref	Topic	1	2	3	4	5	Action	Status of Action
		Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly Disagree		
							<b>Action:</b> The Committee felt it would be beneficial to have ½ hour training on key topics (ahead of when they are due at AC). 9.30-10.00 is the preferred timing for the training.	<b>Status:</b> Implemented and ongoing. Training sessions provided to the Committee.
11	The Audit Committee collectively possesses an appropriate skills mix to enable it to fulfil its role.	0	2	3	1	0	<b>Action:</b> None	<b>Status:</b> N/A
12	The Audit Committee communicates effectively with Full Council, Scrutiny Committees, the Internal Audit Manager, External Audit and other stakeholders?	0	0	4	1	1	<b>Action:</b> The Audit Committee felt committees do not currently operate as a ‘whole’ at the moment and welcome the re-establishment of the Chairs / Vice Chair liaison meetings.	<b>Status:</b> Implemented – The Joint Chairs and Vice Charis Group has now been re-established.
							<b>Action:</b> The Committee explored how risks raised by Audit Committee to Chairs / Vice Chairs will be monitored. The Committee was reassured that this would take place through action tracking due to the success with Audit Committees action tracking.	<b>Status:</b> Implemented.
							<b>Action:</b> The Committee raised the need to Overview & Scrutiny Committees, particularly the Cabinet Portfolio holders, to be made aware of any RED / Limited audit reports. It was confirmed that each Chief Officer is advised to present their audit report to O&S prior to attending AC.	<b>Status:</b> Implemented and ongoing – all Chief Officers are advised that their Cabinet Portfolio holder and Overview & Scrutiny are made aware of any Red / Limited assurance reports issued within their portfolio.

Ref	Topic	1	2	3	4	5	Action	Status of Action
		Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly Disagree		
							<p><b>Action:</b> Communicate further with Council – through the annual report the Audit Committee also felt it would be beneficial to meet all members of the Internal Audit team 'Who's Who?' This will be arranged for in an informal setting prior to the next AC meeting.</p> <p><b>Action:</b> A similar approach to be applied for finance / asset disposals etc limiting this to key officers within the service.</p>	<p><b>Status:</b> Implemented - the Audit Committee has met all members of the Internal Audit team.</p> <p><b>Status:</b> Implemented – key members have attended Audit Committee to present such reports.</p>
13	The Audit Committee adequately accounts for how well it undertakes its roles and meets its terms of reference?	0	2	2	2	0	<p><b>Action:</b> This will be addressed through the Chair presenting the Annual Report to demonstrate their accountability.</p>	<p><b>Status:</b> Implemented – Draft annual report for Audit Committee presented to September Committee in readiness for Council.</p>
<b>Overall Score</b>		<b>11</b>	<b>41</b>	<b>17</b>	<b>8</b>	<b>1</b>		