

## FLINTSHIRE COUNTY COUNCIL

**REPORT TO:**           **AUDIT COMMITTEE**

**DATE:**               **WEDNESDAY, 12 JUNE 2013**

**REPORT BY:**       **DEMOCRACY & GOVERNANCE MANAGER**

**SUBJECT:**           **BRIEFING MEETING HELD ON THE**  
                                  **22 FEBRUARY 2013**

### **1.00**   **PURPOSE OF REPORT**

1.01   For the committee to receive a report on the briefing held on the 22 February 2013 for Audit Committee members and Chairs of Overview & Scrutiny Committees.

### **2.00**   **BACKGROUND**

2.01   Section 81 of the Local Government (Wales) Measure 2011 requires all unitary authorities in Wales to have an Audit Committee with functions to include the following:-

- a) To review and scrutinise the authority's financial affairs;
- b) To make reports and recommendations in relation to the authority's financial affairs;
- c) To review and assess the risk management, internal control and corporate governance arrangements of the authority;
- d) To make reports and recommendations to the authority on the adequacy and effectiveness of those arrangements;
- e) To oversee the authority's internal/external audit arrangements; and
- f) To review the financial statements prepared by the authority.

2.02   The above provision took effect in April 2012 and in June 2012 statutory guidance was issued by the Welsh Government relating to these functions of the Audit Committee. The statutory guidance was the subject of a report to the Audit Committee's meeting of the 17 July 2012 when following discussion the committee resolved to note the provisions.

2.03   As the new expanded role of the Audit Committee raised issues concerning the interface with Overview & Scrutiny and following consultation with the Chair and Vice Chair it was decided that it would be useful to have a briefing meeting between members of the Audit Committee and Overview & Scrutiny Chairs and Vice Chairs. This was subsequently arranged for the 22 February 2013.

### **3.00 CONSIDERATIONS**

- 3.01 The member briefing was chaired by Councillor M Wright and attended by Councillors G Banks, H Bateman, M Bateman, A Halford, R Hampson, P Heesom, R Jones, N Matthews, A Woolley and Mr P Williams, together with senior officers and Amanda Hughes of the Wales Audit Office.
- 3.02 The Democracy & Governance Manager gave a presentation on the expanded remit of the Audit Committee, the differing roles of Audit and Overview & Scrutiny Committees and there then followed a discussion about how best to manage the relationship between the committees. During the discussion each of the following areas were considered:-
- a) Financial Affairs
  - b) Corporate Governance
  - c) Risk Management
  - d) Inspectors/Regulators
  - e) Regular meetings between Chairs.
- Points made during the discussion were noted and subsequently distributed to those in attendance. These are attached as appendix 1.
- 3.03 Amongst the points coming out of the briefing were the following:-
- The Audit Committee's role on financial affairs is whether budgetary control systems were working whereas Overview & Scrutiny's role was scrutinising the spend.
  - That the two reports that the Audit Committee currently receives each year relating to corporate governance were sufficient, at least until the results of the current Wales Audit Office study of corporate governance within all Welsh authorities was published.
  - That reports to Audit Committee on risk management should include at least one report a year on all the red risks in the strategic assessment of risks and challenges.
  - That it was not inappropriate for reports by external inspectors/regulators to be considered by both the appropriate Overview & Scrutiny Committee and Audit Committee. The detailed consideration by Overview & Scrutiny should assist Audit Committee to be satisfied that appropriate action plans to implement recommendations were in place and being monitored.
  - That a process be designed by officers to ensure reports by inspectors/regulators were appropriately reported to Overview & Scrutiny and Audit Committee meetings.
  - That regular meetings two or three times year of audit members and Overview & Scrutiny Chairs would be useful, particularly in relation to forward planning.
- 3.04 The Overview & Scrutiny Chairs and Vice Chairs who were unable to attend on the 22 February were subsequently briefed on the meeting and the points arising from it by the Democracy & Governance Manager.

**4.00 RECOMMENDATIONS**

4.01 For the committee to note and consider issues arising from the briefing held on the 22 February 2013.

**5.00 FINANCIAL IMPLICATIONS**

5.01 None as a result of this report.

**6.00 ANTI POVERTY IMPACT**

6.01 None as a result of this report.

**7.00 ENVIRONMENTAL IMPACT**

7.01 None as a result of this report.

**8.00 EQUALITIES IMPACT**

8.01 None as a result of this report.

**9.00 PERSONNEL IMPLICATIONS**

9.01 None as a result of this report.

**10.00 CONSULTATION REQUIRED**

10.01 With Audit Committee members, Chairs and Vice Chairs of Overview & Scrutiny Committees.

**11.00 CONSULTATION UNDERTAKEN**

11.01 With Audit Committee members, Chairs and Vice Chairs of Overview & Scrutiny Committees.

**12.00 APPENDICES**

12.01 Appendix 1 – Notes of discussion

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985  
BACKGROUND DOCUMENTS**

None

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