

## AUDIT COMMITTEE

<b>Date of Meeting</b>	Wednesday, 11 <sup>th</sup> September 2019
<b>Report Subject</b>	Audit Committee Annual Report
<b>Report Author</b>	Chair of the Audit Committee
<b>Type of Report</b>	Assurance

### EXECUTIVE SUMMARY

In accordance with CIPFA's best practice 'Audit Committees – a Practical Guidance for Local Authorities 2018', there is a requirement for the Audit Committee to be held to account by the Council for the work they undertake. To support this the Audit Committee's terms of reference were amended in 2018 to include a requirement for the Committee to prepare a yearly report to the Council on its achievements and demonstrate its accountability.

The Audit Committee's Annual Report for 2018/19 (Appendix A) provides the Council with the necessary information to meet this requirement.

### RECOMMENDATIONS

1	The Committee considers and endorses the annual report for 2018/19 prior to its submission to Council for approval on 22 October 2019.
---	--

### REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE INTERNAL AUDIT PROGRESS REPORT</b>
1.01	<p>In accordance with CIPFA's best practice 'Audit Committees – a Practical Guidance for Local Authorities 2018', the Audit Committee has an important role within the Council's governance structure and in promoting the principles of good governance.</p> <p>An equally significant part of this role is for the Audit Committee to demonstrate its accountability. Accountability should be considered under three aspects:</p> <ol style="list-style-type: none"> <li>1) Supporting the Council's accountability to the public and stakeholders;</li> <li>2) Supporting accountability within the Council; and</li> </ol>

	<p>3) Holding the Audit Committee to account.</p> <p>The Audit Committee Terms of Reference was updated in November 2018 to reflect this best practice and the need for an annual report.</p>
1.02	<p>The Audit Committee's Annual Report (Appendix A) is designed to provide assurance to the Council in holding the Committee to account. In particular:</p> <p><b>1) Supporting the Council's accountability to the public and stakeholders</b></p> <ul style="list-style-type: none"> <li>– Each Audit Committee meeting is held in the public domain with all Committee papers available on the Council's website.</li> </ul> <p><b>2) Supporting accountability within the Council; and</b></p> <ul style="list-style-type: none"> <li>– Through the review of those reports received by Audit Committee, the Committee holds to account those responsible for the implementation of recommendations and action plans. In addition to this, the Committee oversees the process for evaluating and improving governance, risk, financial management and control.</li> </ul> <p><b>3) Holding the Audit Committee to account</b></p> <ul style="list-style-type: none"> <li>– The Committee has fulfilled its agreed Terms of Reference and adopted the recommended best practice;</li> <li>– Members of the Audit Committee have assessed their own development needs and taken the opportunity to attend briefing and training sessions;</li> <li>– The Committee has assessed its own effectiveness, developed an action plan and monitors progress; and</li> <li>– The Committee demonstrates they have a positive impact on the improvement of governance, risk, financial management and control within the Council.</li> </ul>
1.03	<p>The annual report provides the Council with an overview of the:</p> <ul style="list-style-type: none"> <li>• Work undertaken by the Committee and its effectiveness against the main areas of the Committees' Terms of Reference;</li> <li>• Internal Audit opinion for 2018/19;</li> <li>• Committees membership and attendance;</li> <li>• Self-Assessment, Training and Development; and</li> <li>• Future Priorities.</li> </ul>
1.04	<p>Once the Committee has endorsed this report, the Annual Report will be presented to Council for consideration and approval at the 22 October 2019 meeting.</p>

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	None as a result of this report.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	The draft annual report for the Audit Committee has been shared with the Chief Executive, Chief Officer Governance, Democratic Services Manager, Chair of the Audit Committee and Vice-Chair of the Audit Committee.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	Audit Committee is integral to promoting an effective risk management framework within the Council.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix A – Audit Committee Annual Report.

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p>None.</p> <p><b>Contact Officer:</b> Lisa Brownbill, Internal Audit Manager  <b>Telephone:</b> 01352 702231  <b>E-mail:</b> <a href="mailto:Lisa.brownbill@flintshire.gov.uk">Lisa.brownbill@flintshire.gov.uk</a></p>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<p><b>Corporate Governance:</b> the system by which local authorities direct and control their functions and relate to their communities. It is founded on the basic principles of openness and inclusivity, integrity and accountability together with the overarching concept of leadership. It is an inter-related system that brings together the underlying set of legislative requirements, governance principles and management processes.</p> <p><b>Risk Management:</b> the process of identifying risks, evaluating their potential consequences and managing them. The aim is to reduce the frequency of risk events occurring (wherever this is possible) and minimise the severity of their consequences if they occur. Threats are managed by a process of controlling, transferring or retaining the risk. Opportunities are managed by identifying strategies to maximise the opportunity or reward for the organisation.</p> <p><b>Internal Control:</b> Appropriate procedures and processes are in place to mitigate any risk which may prevent the organisation from achieving its objectives and service delivery.</p> <p><b>Financial Management:</b> the planning, organising, directing and control of the financial activities of the Council to ensure sufficient resources are available to delivery its intended outcomes.</p>