



Argyll and Bute Council Audit committee training day

24 August 2009

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AUDIT

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Introduction

At the request of management of Argyll and Bute Council (“the Council”) we facilitated a training day for the Council’s audit committee on the 29th May 2009. The purpose of the training day was to provide the audit committee with an analysis of completed self-assessment questionnaires, review the audit committee’s terms of reference, identify actions required from the self-assessment process and to support management in developing an audit committee annual work plan and training plan.

Objective

The objective of the training day was to support audit committee members and Council senior management in reviewing the audit committee terms of reference and in developing annual work and training plans.

Scope

Based on the objective outlined above, we completed the following activities:

- used a self-assessment questionnaire, supplied by management, to develop an understanding of the audit committee’s role and it’s remit;
- collated and presented the results of the questionnaire;
- facilitated discussions using the questionnaire to identify actions to develop and update the audit committee’s:
 - 2009-10 work plan;
 - 2009-10 training plan; and
 - terms of reference.

- summarised the process and output from the training day in a summary report.

Approach

Management produced a detailed self-assessment questionnaire which focused on exploring views on the operation of the audit committee. The self assessment questionnaire, together with a draft work plan (Appendix 3) and audit committee terms of reference were circulated to audit committee members and senior management in advance of the training day. Completed questionnaires were returned to allow us to collate the results.

The training day followed an agreed schedule determined by management (Appendix 1). We presented the results of the questionnaire (Appendix 2) and facilitated discussions to identify issues and any required actions. There was a focus upon developing a work and training plan and identifying any required amendments to the audit committee terms of reference.

Those participating in the training day included:

- Ian Ross, chairman - audit committee;
- Dr Christopher Valentine, vice-chairman, audit committee;
- Andrew Nisbet, member - audit committee;
- Gordon Chalmers, member - audit committee;
- Bruce West, Head of Strategic Finance
- Grant Macrae, KPMG LLP; and
- Ewan Currie, KPMG LLP.

Executive summary

The training day produced positive and constructive discussion around both the results of the questionnaire and the primary objective of the day, to develop the work and training plans for the coming year.

Questionnaire results

- The results highlighted a number of both specific and generic issues that face the committee. In summary the main issue is around the induction and the raising of awareness of the role of the audit committee and its remit. For example in areas such as external audit, corporate governance and internal control. The appointment of new audit committee members can introduce individuals to areas that they may never have experienced before. This places greater emphasis on the need for a developed induction and ongoing training plan.
- The appointment of a chairman and vice-chairman that are not elected members of the Council was considered to be a positive model that should be retained going forward.
- Non-attendance at audit committee meetings from some members was highlighted as an issue. It was agreed that the introduction of a more effective induction process and training programme would assist in addressing the issues that exist at present.

Work plan

- Recent areas of development within the Council, such as performance and risk management featured highly and have been incorporated with specific actions for future audit committee meetings. There was also specific reference to the need for the committee to consider, proactively, the

implications of Best Value 2 ("BV2") and its potential impact. BV2 requires that the different inspection agencies meet annually to form a view on the risks facing the Council and the effectiveness of the risk management process. This has significant implications for both the Council and audit committee.

- A number of efficiencies were identified in terms of agenda planning, issuing of reports or minutes and attendance of selected individuals to present at audit committee meetings.

Training plan

- The training plan focuses on individual and collective training needs. There is a generic training package under consideration by management. The aim of the package is to bring both committee members and stakeholders up to the same level of understanding in terms of the role and remit of the audit committee.
- Other key issues identified were succession planning for the audit committee and the awareness of the role of the external auditor.

Audit committee terms of reference

- A number of minor amendments were identified when the current terms of reference were compared to guidance from the Chartered Institute of Public Finance and Accountancy ("CIPFA"). These amendments will be incorporated and used to update the terms of reference as part of the annual review process.

Training day outputs

1. Work plan

The draft work plan, circulated prior to the training day, was identified as appropriate by audit committee members and the members of the senior management team attending the training day. A number of points were identified and discussed to either be incorporated within the draft work plan or actioned separately. These have been summarised below for the audit committee and incorporated into the approved work plan, where appropriate. (Appendix 3);

- The role of the audit committee in relation to the internal control statement and development of a more detailed governance report was discussed and it was agreed that it should be considered in more detail at December meetings (**December meeting**).
- The self-assessment exercise and effectiveness review of the audit committee was agreed to remain a stand alone activity that would be completed annually (**Date to be defined**).
- The proactive consideration of fraud should be considered as a part of the timeslot already detailed within the December meeting. This discussion would be linked to the development and approval of the coming years internal audit plan (**December meeting**).
- Risk register and risk management was acknowledged as under development. The role of the audit committee within this process and the progress in terms of development of risk management within the Council would be considered as part of the quarterly risk management update reporting slot already defined within the work plan (**Each meeting**).
- The development of performance management information and the Pyramid systems was discussed, particularly in light of the audit committee taking a more prominent role in terms of oversight of performance management effectiveness. It was highlighted by the participants that historically performance management information has not been adequate. It was discussed that the audit committee should have the opportunity to review and approve the finalised scorecards during the December meeting (**December meeting**). The quality of data was discussed and it was agreed that during the development and approval of the coming years' internal audit plan a dedicated project around 'data integrity' should be considered for inclusion at the March meeting (**March meeting**).
- There was extensive discussion around the implications of BV2 and the possibility of the future need for a more detailed annual report that would outline performance and governance structures. It was agreed that this would be discussed as part of the December meeting. This should coincide with external audit follow up of the current Best Value report and its associated actions (**December meeting**).

- IFRS changes and its impact upon accounting treatment were discussed following the presentation from the Head of Strategic Finance. It was agreed that this would be discussed further at the June meeting in terms of progress to date and ongoing development of information and arrangements with further updates provided as necessary **(June meeting)**.
- Visibility to the audit committee of relevant statutory and regulatory issues was discussed and it was agreed that a series of possible actions should be considered; key statutory and regulatory matters highlighted in an extra column within the individual service plan templates at the start of the year; development of a process of exception reporting against these to the audit committee during the quarterly risk management update report **(First version - December meeting; recurring each meeting)**;
- The circulation of papers was discussed and the use of additional contextualisation within minutes was acknowledged as a point that had been raised by the chairman at the most recent meeting of the audit committee. It was agreed that the issue of internal audit reports (other reports where appropriate) at point of completion would be considered rather than in tranches prior to each meeting. Draft minutes from meetings would be circulated to all audit committee members and not just the chairman **(Each meeting)**.
- The attendance of key individuals or members of the senior management team to discuss, explain or present on different topics was discussed and it was agreed this would be agreed on a case by case basis. It would form part of a discussion point at each meeting where a dedicated slot would be created to confirm the agenda for the next meeting **(Each meeting)**
- .The terms of reference for the audit committee had been approved by the Council in March. It was agreed that the terms would be reviewed and updated, where issues are identified, as part of the December meeting **(December meeting)**.

2. Training plan

A number of points were identified and discussed to be either incorporated within the training plan or actioned separately. The specific actions have been highlighted below and should be considered in detail at the next appropriate audit committee meeting to determine delivery timetables and individuals responsible.

- Succession planning was highlighted as an area that needed to be considered in the short-term. Both the current chairman and vice-chairman of the audit committee are due to stand down in 2011 and 2010 respectively. Consideration of the point is critical to ensure continuity and adequate transition time is made available, but also that agreement is reached for the chairman or vice-chairman to be a non-elected member. It was widely agreed by the participants that this was a model that should be retained.
 - **Action (1)** – Succession planning to be determined by council for the chairman and vice-chairman of the audit committee.
- The training discussion extended to consider whether a broad ranging training programme was needed where all current (and possibly future members as part of an induction process) attend a tailored and dedicated course on corporate governance and the role of the audit committee. It could be tailored to consider key issues such as BV2 or internal control and bring all members up to the same level in terms of understanding. The action was to agree this as an approach and then identify an appropriate provider of the training. It was highlighted that this training should not be restricted to audit committee members and should include other key stakeholders.
 - **Action (2)** – Identify a provider to deliver a broad ranging training programme on corporate governance and the role of the audit committee extended to both audit committee members and other key stakeholders (i.e. council members, executive and senior management).
- The induction process was highlighted as an area of potential improvement. This will in part be addressed by the two points raised above, however, it was agreed that following appointment to the audit committee, the chairman and Head of Strategic Finance would have a private meeting to discuss induction, personal development planning and any specific skills gaps or concerns.
 - **Action (3)** – A formal induction process should be defined that incorporates a private meeting with the chairman and Head of Strategic Finance following appointment and the creation of an individually tailored training programme.
- Individual training and wider training requirements for the audit committee as a whole was discussed and it were agreed that an outline of the expertise required (skills, experience) by the audit committee would be defined as a starting point. This would then be tailored on an individual committee member level to develop a personal development plan tailored to individual requirements.
 - **Action (4)** - Audit committee overall expertise required to fulfil remit is to be identified.

- **Action (5)** – Tailored individual training programme to be developed for each committee member based upon expertise identified for overall committee.
- Awareness and visibility of all critical policies (i.e. anti fraud and corruption policy) was highlighted, however, it was acknowledged that the Council’s standing orders highlights and refers to the most critical documents. It was agreed that the constitution should form a pivotal part within the induction process.
- The role of external audit and the key documents that the audit committee will have to review was highlighted as a development and training opportunity for members. It was agreed that the Council’s external auditor would be asked to complete a short presentation on the role of the external auditor. Particular focus would be upon explaining the key reports it produces that the audit committee need to review.
 - **Action (6)** - External auditor to be requested to complete a short presentation on the role of the external auditor. Particular focus on explaining the key reports it produces that the audit committee need to review.

3. Audit committee terms of reference

A number of points were identified to be actioned. The points were highlighted by making a comparison between the current terms of references and guidance from CIPFA *Audit Committee principles in local authorities in Scotland*. These points have been summarised below for the audit committee to take forward as part of a review of the terms of reference at the end of the year.

- Clarification of the required expertise for committee membership.
- Definition as to the circulation of minutes to other committees / full Council. It became apparent that these minutes do not go to the full Council or executive.
- Reference to the processes to ensure effective liaison between external and internal audit.
- More detail to be included to ensure a clear link between the committee's review of the 'internal control statement' and it satisfying the remit defined within CIPFA guidance that states 'systematic appraisal of control environment to provide assurance of effective and efficient operations'.
- Reference to audit committee consideration of a programme of areas for examination or review.

Appendix 1 – Training day schedule

Purpose	- (1)	To carry out a self assessment, review terms of reference, identify actions required from self assessment and review of terms of reference, develop work plan for the year and develop a training plan for the year.
	(2)	Gain an understanding of issues arising from IFRS.

Topic	Approach	Actions before day	On the day	Output	Timing
Self-assessment Discussion facilitated by KPMG informed through analysis of completed assessment checklists	Review operation of audit committee against a good practice checklist	Draft response to checklist and issue to participants	Review and adjust draft completed checklist to identify areas for development	Agreed self assessment checklist that identifies areas for development	10.00- 11.30
Terms of reference (Given recent revision to terms of reference this should not be a long session) Discussion facilitated by KPMG	Review terms of reference to identify revisions required	Issue current terms of reference to participants.	Discuss terms of reference and identify changes in terms of reference from self assessment	Agreement on proposed revised terms of reference	11.30 – 12.00
Actions required to populate work plan Discussion facilitated by KPMG	Review outcome of self assessment and review of terms of reference to identify actions required for work plan	-	Review outcome of self assessment and review of terms of reference to identify actions required for work Plan	Actions to be included in work plan	12.00 – 12.30
Work plan Discussion facilitated and guided by KPMG	Review draft work plan and actions required and develop into an agreed work plan	Issue draft work plan	Discuss draft work plan and actions required to determine extent they cover terms of reference and address action arising from self assessment and review terms of reference	Agreed work plan	1.30 – 2.30
Training plan Facilitated and guided by KPMG	Identify training needs and develop a plan to deliver these	-	Discuss training needs in the light of the actions required and work plan and agree plan for their delivery	Agree training plan	2.30 – 3.15
IFRS Bruce West to lead	Gain understanding of IFRS issues and the Council's plan for implementation	-	Presentation to be made on the day	Audit committee comment on key IFRS issues	3.15 – 4.00

Appendix 2 – Self-assessment questionnaire results

The six completed self-assessment questionnaire have been tabulated below where exceptions or inconsistency of understanding was evident. The comments have not been edited and have been directly inserted into the table below. This formed the focal point for discussions during the training day.

Assessment category	Results (Member key messages)	Results (Executive key messages)
ROLE AND REMIT	Yes – Y. No – N. Don't Know - DK	
Does the audit committee have sufficient membership, authority/power and resources to perform its role effectively and independently	50% unsure if committee has sufficient authority/power?	Y
Does the Council statement on internal control include a description of the audit committee's role and activities?	Y	Y. This could be enhanced.
Does the audit committee assess its own effectiveness?	50% acknowledged this as the first exercise undertaken	Y. 1st time.
Does the audit committee make a formal annual report on its work and performance during the year to the full council	Y	Y. Reporting commenced 2007-2008. 2008-2009 report to be produced. Could be enhanced.
MEMBERSHIP, INDUCTION AND TRAINING		
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?	Additional training required for individuals or committee as a whole might need development.	AC to discuss

Assessment category	Results (Member key messages)	Results (Executive key messages)
Are new audit committee members provided with appropriate induction training?	75% confirmed no induction process or that it was ineffective.	Y. As part of councillor induction.
Have all members' skills and experiences been assessed and training given for any gaps identified?	100% acknowledged training gaps have not been identified. Expectation that this exercise will address this point.	AC to discuss
Has each member declared his or her business interests?	Unclear process to confirm all members have declared all their business interests.	Y. Process in place.

MEETINGS

Do the terms of reference set out the frequency of meetings?	Y	N. TOR to be updated.
Are members attending meetings on a regular basis and if not, is appropriate action taken?	75% acknowledged meeting attendance was not ideal.	N. Members apologies have been given in past
Does the Council's Section 95 officer or deputy attend all meetings?	50% unclear if Councils Section 95 officer attends /or deputy all meetings.	Y. Head of Strategic Finance attends.

Assessment category	Results (Member key messages)	Results (Executive key messages)
INTERNAL CONTROL		
Does the audit committee have responsibility for review and approval of the SIC and does it consider it separately from the accounts?	50% unclear or no response.	Y. ICS reviewed annually alongside the annual report.
Does the audit committee consider how meaningful the SIC is ?	75% unclear or no response.	Y. ICS reviewed annually alongside the annual report.
Has the audit committee considered how it integrates with other committees that may have responsibility for risk management?	75% Y. 25% unsure given early stages of risk if AC have.	Unclear effectiveness.
Has the audit committee (with delegated responsibility) or the full council adopted "Managing the Risk of Fraud – Actions to Counter Fraud and Corruption?"	75% unclear if this has been addressed.	Y. The council has an anti fraud and corruption policy as part of constitution.
Does the audit committee ensure that the "Actions to Counter Fraud and Corruption" are being implemented?	75% unclear if this has been addressed.	N. does the AC need to be more proactive.
Is the audit committee made aware of the role of risk management in the preparation of the internal audit plan?	50% unaware of role between risk management and internal audit plan	Y. Audit Committee have received presentation on risk management and business continuity.
Does the audit committee review the Council's strategic risk register at least annually?	100% acknowledged that it has only just started to review strategic risk register.	N. Add to work plan.

Assessment category	Results (Member key messages)	Results (Executive key messages)
Does the audit committee monitor how the Council assesses risk?	50% no response or acknowledged risk management process under development within Council.	N. Add to work plan. Internal audit to review.
Do the audit committee's terms of reference include oversight of the risk management process?	75% unclear or unsure if TOR clearly define role in terms of audit committee	Y
FINANCIAL REPORTING AND REGULATORY MATTERS		
Is the audit committee's role in the consideration and/or approval of the Council's annual accounts clearly defined?	50% no response or unclear	Y
Does the audit committee consider specifically - 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?	50% no response or unclear	DK. Need to consider how this is presented to AC.
Is the 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?	50% no response or unclear	Y
Does the audit committee review management's letter?	50% no response or unclear	Y
Does the audit committee annually review the accounting policies of the council?	Y	N. Consider adding this to the work plan.

Assessment category	Results (Member key messages)	Results (Executive key messages)
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?	100% confirm no formal process exists to keep up to date with legal and regulatory issues.	N. Consider creating a report for each meeting.
INTERNAL AUDIT		
Does the audit committee hold periodic private discussions with the internal auditor?	100% acknowledged the engagement with Internal Audit needs to be formalised.	Y. JUNE 2009 to be first.
Does the audit committee review the adequacy of internal audit staffing and other resources ?	Highlighted as possible area of personal frustration.	Y
Has the audit committee evaluated whether internal audit complies with CIPFA's Code of Practice for Internal audit in Local Government in the UK ?	50% unclear if this comparison of internal audit with CIPFA guidelines has been completed.	Y. GT external auditor complete this exercise.
Has the audit committee considered the information it wishes to receive from internal audit?	50% perceive that internal audit information provision has not been challenged.	Y. Might be an area to develop.
EXTERNAL AUDIT		
Does the audit committee hold periodic private discussions with the external auditor?	75% acknowledged the engagement with External Audit needs to be formalised.	Y. JUNE 2009 to be first.
Does the audit committee review the external auditor's annual report to those charged with governance?	50% unclear if AC review annual report from external auditors.	Y

Assessment category	Results (Member key messages)	Results (Executive key messages)
Does the audit committee assess the performance of external audit?	50% unsure how or if AC assess performance of the external auditor.	Y. Process in place.
Does the audit committee consider and approve the external audit fee?	50% believe the AC does not approve the external audit fee.	Unclear
AGENDA MANAGEMENT		
Does the audit committee have a designated secretary from committee /member services?	Y	N. Corporate Services support this element.
Are agenda papers circulated in advance of meetings to allow adequate preparation by audit committee members?	50% believe pre meeting circulation of papers could be improved.	Y
Are outline agendas planned one year ahead to cover issues on a cyclical basis?	25% believe this does not happen.	N. could be done via work plan.
Are inputs for Any Other Business formally requested in advance from committee members, relevant officers and internal audit?	75% believe selected attendance of the specific executive at AC would be an improvement.	Y
PAPERS		
Do reports to the audit committee communicate relevant information at the right frequency, time, and in a format that is effective?	50% believe the reporting following AC meetings could be improved.	AC to discuss

Assessment category	Results (Member key messages)	Results (Executive key messages)
Does the audit committee issue guidelines and/or a Performa concerning the format and content of the papers to be presented?	50% believe the format of papers could be improved.	N. development area
ACTIONS ARISING		
Are minutes prepared and circulated promptly to the appropriate people?	50% believe the timeliness and broadening of minutes circulation could be improved.	Y
Do action points indicate who is to perform what and by when	Area for improvement	Y

Appendix 3 – Draft work plan

The draft work plan attached below was circulated to attendee’s prior to the training day. The specific actions identified from the training day, where relevant, have been highlighted in bold against the appropriate audit committee meeting.

Meeting dates	Responsibility areas of the audit committee								
	Audit committee option 1	Audit committee option 2	Internal audit	External audit	Risk management	Performance management	Anti-fraud & corruption arrangements	Corporate governance arrangements	Financial statements
MARCH									
	Audit Committee Annual Report.		-Consider internal audit annual audit plan. -Consider follow up of external and internal action points. -Consider IA progress against plan. -Consider IA reports.	-Consider external audit annual audit plan. -Consider external audit progress against plan. - Consider external audit reports.	Quarterly update report. (Progress Report on development of risk management)	Quarterly update report. (Ensure an internal audit focused upon ‘data integrity’ is included within internal audit plan development process)	-Annual report on the National Fraud Initiative. -Annual Review of Anti Fraud and Corruption Arrangements.		Review work plan for completion of annual accounts.

Meeting dates	Responsibility areas of the audit committee								
	Audit committee option 1	Audit committee option 2	Internal audit	External audit	Risk management	Performance management	Anti-fraud & corruption arrangements	Corporate governance arrangements	Financial statements
JUNE									
		<ul style="list-style-type: none"> - Audit Committee Annual Report. -Work and Training Plan. - Terms of reference. - Self Review. 	<ul style="list-style-type: none"> - Report on the year. -Consider follow up of external and internal action points. - Consider IA progress against plan. - Consider IA reports. 	<ul style="list-style-type: none"> -Interim audit work review. - Consider external audit progress against plan. - Consider external audit reports. 	<ul style="list-style-type: none"> Quarterly update report. (Progress Report on development of risk management) 	<ul style="list-style-type: none"> Quarterly update report. 	<ul style="list-style-type: none"> Annual Review of Fraud Results across the Council. 	<ul style="list-style-type: none"> Review Statements of Control. 	<ul style="list-style-type: none"> Review of un-audited accounts. (Review progress of IFRS implementation and ongoing development of management information)

Meeting dates	Responsibility areas of the audit committee								
	Audit committee option 1	Audit committee option 2	Internal audit	External audit	Risk management	Performance management	Anti-fraud & corruption arrangements	Corporate governance arrangements	Financial statements
SEPTEMBER									
	- Self Review. - Terms of reference.		-Private meeting with Internal audit. -Consider follow up of external and internal action points. - Consider IA progress against plan. - Consider IA reports.	-ISA260 Report. -Private meeting with external audit. - Consider external audit progress against plan. - Consider external audit reports.	Quarterly update report (Progress Report on development of risk management)	Quarterly update report			Review of audited annual accounts

Meeting dates	Responsibility areas of the audit committee								
	Audit committee option 1	Audit committee option 2	Internal audit	External audit	Risk management	Performance management	Anti-fraud & corruption arrangements	Corporate governance arrangements	Financial statements
DECEMBER									
	-Work and Training Plan		Consider follow up of internal action points. -Consider IA progress against plan. -Consider IA reports.	-Annual audit report. - Consider external audit progress against plan. -Consider external audit reports	Quarterly update report (Progress Report on development of risk management)	Quarterly update report (Review finalised scorecards to be adopted by performance management system) (Discuss the implications of Best Value 2 within the Council)	(Consider Fraud when developing internal audit plan)	Annual Report on Corporate Governance (Consideration of Internal Control Statement) (Consider actions taken to monitor relevant statutory and regulatory issues affecting the Council) (The terms of the reference for the audit committee would be reviewed to confirm ongoing appropriateness)	

Appendix 4 – Draft Meeting Agenda

The draft work plan identifies areas of responsibility and specific actions identified from the training day. These have represented below in terms of draft agenda's for each audit committee meeting throughout the year. These should used as a start point and be reviewed and updated where appropriate.

Meeting dates	Draft Meeting Agenda			
	March	June	September	December
Agenda Items	<ol style="list-style-type: none"> 1. Audit Committee <ul style="list-style-type: none"> • Annual Report 2. Internal Audit <ul style="list-style-type: none"> • Annual Audit Plan Approval • Follow up Actions Status • Progress against Plan • Completed IA Reports 3. External Audit <ul style="list-style-type: none"> • Annual Audit Plan • Follow up Actions Status • Progress against Plan • Consider EA Reports 4. Risk Management <ul style="list-style-type: none"> • Quarterly Update Report • Progress update on development of Risk Management. 5. Performance Management <ul style="list-style-type: none"> • Quarterly Update Report • Ensure 'Data Integrity' is included in internal audit plan. 	<ol style="list-style-type: none"> 1. Internal Audit <ul style="list-style-type: none"> • Report on year • Follow up Actions Status • Progress against Plan • Completed IA Reports 2. External Audit <ul style="list-style-type: none"> • Interim Audit work review. • Progress against Plan • Consider EA Reports 3. Risk Management <ul style="list-style-type: none"> • Quarterly Update Report • Progress update on development of Risk Management. 4. Performance Management <ul style="list-style-type: none"> • Quarterly Update Report 5. Anti-Fraud & Corruption <ul style="list-style-type: none"> • Annual Review of Fraud results across the Council. 6. Corporate Governance Arrangements <ul style="list-style-type: none"> • Review Statements of Control 	<ol style="list-style-type: none"> 1. Audit Committee <ul style="list-style-type: none"> • Self Review 2. Internal Audit <ul style="list-style-type: none"> • Private meeting • Follow up Actions Status • Progress against Plan • Completed IA Reports 3. External Audit <ul style="list-style-type: none"> • ISA260 Report • Private meeting • Progress against Plan • Consider EA Reports 4. Risk Management <ul style="list-style-type: none"> • Quarterly Update Report • Progress update on development of Risk Management. 5. Performance Management <ul style="list-style-type: none"> • Quarterly Update Report 6. Accounts <ul style="list-style-type: none"> • Review of audited annual accounts. 	<ol style="list-style-type: none"> 1. Audit Committee <ul style="list-style-type: none"> • Work and Training Plan • Terms of Reference reviewed to confirm ongoing appropriateness. Internal Audit <ul style="list-style-type: none"> • Ensure Fraud and 'Data Integrity' linked to performance management system are included in audit plan development. • Follow up Actions Status • Progress against Plan • Completed IA Reports 2. External Audit <ul style="list-style-type: none"> • Annual Audit report. • Progress against Plan • Consider EA Reports 3. Risk Management <ul style="list-style-type: none"> • Quarterly Update Report • Progress update on development of Risk Management.

	<p>6. Anti-Fraud & Corruption</p> <ul style="list-style-type: none"> • Annual report on National Fraud Initiative. • Review of Anti-Fraud and Corruption arrangements. <p>7. Accounts</p> <ul style="list-style-type: none"> • Accounts Completion Work Plan review. 	<p>7. Accounts</p> <ul style="list-style-type: none"> • Review of un-audited accounts • Review progress of IFRS implementation and development of management information. 		<p>4. Performance Management</p> <ul style="list-style-type: none"> • Quarterly Update Report • Review Finalised Scorecards to be adopted by performance management system. • Discuss the implications of Best Value 2 within the Council. <p>5. Corporate Governance Arrangements</p> <ul style="list-style-type: none"> • Annual Report on Corporate Governance • Consideration of Internal Control Statement. • Consider actions taken to monitor relevant statutory and regulatory issues affecting Council.
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Appendix 5 – Consolidated Action List

The specific actions identified from the training day, where relevant, have been highlighted in against the appropriate audit committee meeting and included within the draft agendas. Additional actions, not captured by the meeting agendas, have been consolidated and included below.

1. The self-assessment exercise and effectiveness review of the audit committee was agreed to remain a stand alone activity that would be completed annually. The next date needs to be defined.
2. Succession planning to be determined by council for the chairman and vice-chairman of the audit committee.
3. Identify a provider to deliver a broad ranging training programme on corporate governance and the role of the audit committee extended to both audit committee members and other key stakeholders (i.e. council members, executive and senior management).
4. A formal induction process should be defined that incorporates a private meeting with the chairman and Head of Strategic Finance following appointment and the creation of an individually tailored training programme. It was agreed that the constitution should form a pivotal part within the induction process.
5. Audit committee overall expertise required to fulfil remit is to be identified.
6. Tailored individual training programme to be developed for each committee member based upon expertise identified for overall committee.
7. External auditor to be requested to complete a short presentation on the role of the external auditor. Particular focus on explaining the key reports it produces that the audit committee need to review.