

Governance and Audit Committee Improvement Action Plan 2009/10

As a result of a self assessment against the Audit Committee Self Assessment Checklist the sub group of Governance and Audit Committee have identified the following action to move some criteria forward within the timescales set out below.

Ref	Requirement	Current Situation	Proposed Action	Status
SECTION I				
Principle 1: The Role of the Audit Committee				
7	Does the audit committee meet regularly (at least four times a year), and do meetings coincide with key dates in the financial reporting and audit cycle?	The committee meets on a quarterly basis, however on occasion the agenda for these meetings are quite heavy and meetings tend to go on for a number of hours.	That the Committee consider: 1. Increasing the number of times the Committee meet to relieve pressure on full agendas, 2. Holding a separate meeting in June to deal with the Financial Statement,	Completed Council agreed in May 2010 to increase the number of meetings of the Governance and Audit Committee in June to deal with the Statement of Accounts separately ensuring effective challenge
Principle 2: Membership, Independence, Objectivity and Understanding				
No actions identified within this section.				
Principle 3: Skills				
23.	Is there an induction checklist for new Audit Committee members that details key things that they must do eg visits to important business locations, meetings with Board, Risk Manager, Internal Audit and External Auditors?	A member guidance pack is produced for the Governance and Audit committee which holds: 1. Terms of Reference 2. Member guidance 3. Programme of report for the years meetings 4. Internal Audit Plan for the year, and other documents which are relevant to the Committee.	1. Training requirements to be discussed at the September meeting. Add this to the programme of reports. 2. Regular item on agenda entitled 'Future items or training for the Committee', making reference to the programme of reports.	Completed Governance and Audit Committee regularly receive training on matters they are to review at their meeting. There is a regular item on each agenda entitled 'Future items or training for the Committee'.
Principle 4: Scope of Work				
No actions identified within this section.				
Principle 5: Communication				
No actions identified within this section				

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SECTION II: The Role of the Chair: Good Practice				
65.	Are the meetings set for a length of time which allows all business to be conducted, yet not so long that the meeting becomes ineffective?	Meetings do not currently have a set time, and the agenda are sometimes quite heavy.	Section action 7 above.	Section action 7 above.
72.	Does the Chair or the Secretariat ensure that members who have missed a meeting are appropriately briefed on the business conducted in their absence.	The substitute who attends for the member feeds back on outcomes of the meeting.	<ol style="list-style-type: none"> 1. Set up a pool of substitutes to ensure they receive appropriate training. 2. Ensure that substitutes are aware of their responsibilities to feed back. 	Completed Guidance on the use of substitutions and their responsibilities has been detailed within the member guidance.
SECTION III: Committee Support: Good Practice				
83.	Ensure that the minutes clearly state all agreed actions, the responsible owner, when they will be done by and any advice given from any stakeholders?	Minutes are currently produced which note any actions required.	Need to ensure owners and timescales are noted within actions.	Completed An action plan is prepared from each meeting which will feature as an item on the agenda to ensure members are confident actions have been carried out and reported back to the Committee.

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Principle 1: The Role of the Audit Committee				
5.	Does the Executive report to the Audit Committee on how key business risks and their financial implications are being dealt with?	The Governance and Audit committee receives regular reports regarding the strategic and operational risks that the Council has identified and is managing. However, the financial implications of key business risks are not necessarily identified. Reports come from officers direct to the G&A Committee, the Executive does not account in this way to the G&A Committee.	To achieve best practice the Council should: a) consider calculating the financial implications of key business risks as standard, b) consider how the G&A committee can hold the Executive to account for the key business risks.	<ul style="list-style-type: none"> The new refreshed risk register does record the financial implications of a risk, where appropriate, as part of assessing the impact of a risk. Completed The chair of G&A plans to issue a quarterly update to follow the committee cycle on "What If" examples and how the Council is making plans to deal with risks. Completed – Governance Matters newsletter issued following Governance and Audit Committee meeting
Principle 2: Membership, Independence, Objectivity and Understanding				
15.	Do Executive members attend Audit Committee meetings, participate in discussions, and provide information to the Audit Committee as and when the Audit committee deems it necessary?	Portfolio Holders do not attend the G&A Committee meetings or participate in discussions.	When a relevant matter is due to appear on the G&A Committee Agenda, the relevant Portfolio Holder should be invited to attend and participate in the meeting, for that item.	Ongoing as appropriate. Can be dealt with by recommendation 2 under ref 23 of the 09/10 action plan.
Principle 3: Skills				
34.	Is there an induction checklist for all new Audit Committee members that details key things that they must do?	Members of the Governance and Audit Committee are required to attend training regarding the Statement of Accounts.	A formal checklist should be set out for inducting new members to the G&A Committee. All slides from the recent	<ul style="list-style-type: none"> Ongoing New G&A Guidance Pack issued summarising the TOR, Member Guidance, schedule of Meetings etc.

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			training sessions should be offered to the new member, with the option of a 1-2-1 training session if required.	<p>Will be updated as necessary each year and provided to G & A Members.</p> <ul style="list-style-type: none"> Quarterly Newsletter in preparation. <p>Completed – Governance Matters newsletter issued following Governance and Audit Committee meeting</p>
37.	Does the Audit Committee ensure that new members have sufficient knowledge of the business to identify the key risk areas and to challenge both line management and internal and external auditors on critical and sensitive issues?	The relevant political leaders nominate the members of the G&A Committee.	The G&A Committee should annually consider its training needs and make recommendations to the Executive.	Ongoing. To be presented to G&A Committee for approval at the March meeting annually. Can be dealt with by recommendations 1 and 2 under ref 23 of the 09/10 action plan.
39.	Does the Audit Committee benchmark itself, in some way, against other Audit Committees?	The four Audit committee Chairs from the East Kent councils are able to meet once a year to discuss matters of interest.	Identify a relevant, 'excellent' authority and attend another Audit Committee meeting in order to find out how they run.	Possibility of a visit to be considered further. Decision taken by all councils not to take forward
Principle 4: Scope of Work				
55.	Does the Audit Committee make suggestions to the External Auditors regarding risk and problem areas the audit could address in the short and long term?	The External Auditors present their plan of work to the G&A Committee and seek agreement to it.	The G&A Committee seeks the opportunity to make suggestions for areas for review to the External Auditors each year, as part of their planning process.	Liaise with the External Auditor by December 2009 to establish a process for consultation. Completed
Principle 5: Communication				
86.	Does the Audit Committee provide an Annual Report to the Board, times to	The G&A Committee has not previously written an annual	Produce an Annual Report to Full Council, in March	Achieved for 2009.To be presented to G&A Committee for

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	support preparation of the Annual Governance Assurance Statement (AGAS)?	report.	each year so that it can support the AGAS.	approval at the March meeting annually. Completed
87.	<p>Does the Annual Report of the Audit Committee present the Committee's opinion about;</p> <ul style="list-style-type: none"> • the comprehensiveness of assurances in meeting the Board and Accounting Officer's needs • the reliability and integrity of these assurances • whether the assurance available is sufficient to support the Board and Accounting Officer in their decisions taken and their accountability obligations • the implication of these assurances for the overall management of risk • any issues that audit committee considers pertinent to the AGAS, and any long terms issues the Committee thinks the Board should give attention to • financial reporting fro the year • the quality of both internal and external audit and their approach to their responsibilities, and • the Audit Committee's view of its own effectiveness, including advice on ways in which it considers it needs to be strengthened or developed? 	There is currently no structure to such a report.	Use question 87 from the guidance as the structure for the content of the proposed Annual Report from the G&A Committee.	Achieved for 2009.To be presented to G&A Committee for approval at the March meeting annually. Completed