

Wolverhampton City Council

OPEN INFORMATION ITEM

Audit Committee

Date **6 July 2012**

Originating Service Group(s)

DELIVERY

Contact Officer(s)/

P FARROW R MORGAN

Telephone Number(s)

4460 5612

Title/Subject Matter

AUDIT COMMITTEE SKILLS AUDIT

SUMMARY

That members of the Audit Committee consider completing an Audit Committee Skills Audit form and return it to Audit Services, in order to develop a training plan.

1. PURPOSE AND BACKGROUND

- 1.1 In their 2011 report on Internal Audit Effectiveness, PwC noted that the challenging and rapidly changing environment in which Members are now operating requires an up-to-date knowledge and skill set to ensure that officers are robustly challenged, and that the skills of the Audit Committee should be considered to ensure that there is an appropriate skills mix in the Committee. Therefore, the opportunity is now being given for the Committee to undertake a skills audit.

2. DETAILS

- 2.1 An Audit Committee Skills Audit questionnaire has been prepared for Members to complete, in order to ascertain the skills set of the current membership. This will help identify any potential skills gaps and where future Audit Committee training should be focussed.

- 2.2 The text below is an extract on the skills and experience of an effective audit committee from the CIPFA document *Audit Committees – Practical Guidance for Local Authorities*:



Skills and Experience

- 2.3 To be effective, the members of the audit committee will require certain skills and will benefit from having gained experience in some of the key areas to be considered by the committee. Whilst financial awareness is essential, particularly for the chair, an accounting background or qualification is less important than a broad understanding of the financial, risk and control, and corporate governance issues facing local authorities generally and the council specifically. An ability to question, probe and seek clarification about complex issues is also essential.
- 2.4 By way of example, CIPFA's document makes reference to a survey of 24 housing associations which identified areas that all audit committee members should be familiar with:
- governance
 - risk management
 - internal control assurance
 - the organisation's core activities
 - accounting issues
 - regulation and compliance.

3. FINANCIAL IMPLICATIONS

- 3.1 There are no direct financial implications arising from this report. [GE/20032012/D]

4. LEGAL IMPLICATIONS

4.1 There are no direct legal implications arising from this report. [MW/20032012/A]

5. EQUAL OPPORTUNITIES IMPLICATIONS

5.1 There are no direct equal opportunities implications arising from this report.

6. ENVIRONMENTAL IMPLICATIONS

6.1 There are no direct environmental implications arising from this report.

7. SCHEDULE OF BACKGROUND PAPERS

None



Audit Committee Skills Audit 2012

Name

Current role

Relevant education and work/life experience

Relevant voluntary work, other interests, membership of other bodies

Any other relevant information

Knowledge/expertise in the following areas (please indicate level):	Low	Moderate	High
Understanding Financial Statements			
Understanding Local Authority Accounting Standards and Regulations			
The role of Internal Audit			
The role of External Audit			
Fraud Management			
Risk Management			
The Assurance Framework			
The Audit Committee terms of reference & legislative requirements			
The cycle of the Committee's business			
Financial Procedure Rules			
The Annual Governance Statement			
The role of the Section 151 Officer			
The role of the Monitoring Officer			

Are there any particular areas related to your membership of the Audit Committee on which you would like training: