

Wolverhampton City Council

**OPEN DECISION ITEM**

Audit Committee

Date **8 July 2013**

Originating Service Group(s)

**DELIVERY**

Contact Officer(s)/

**P FARROW**

**R MORGAN**

Telephone Number(s)

**4460**

**5612**

Title/Subject Matter

**AUDIT COMMITTEE ANNUAL REPORT - 2012/13**

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**RECOMMENDATION**

That the contents of the Audit Committee Annual Report be endorsed and referred to Full Council for approval.

## 1. PURPOSE AND BACKGROUND

- 1.1. This report is submitted to summarise the work undertaken by the Audit Committee during the 2012/13 year.

## 2. DETAILS

### 2.1 Activity During 2012/13

- 2.1.1 The Audit Committee agreed a work programme for the 2012/13 year which was monitored and revised on an on-going basis throughout the year, and was based on the following categories of reports which provide the main sources of assurance:

Final Accounts/Annual Governance Statement.

These are the statutory reports which the Audit Committee approves in relation to the Council's Annual Statement of Accounts.

Internal Audit Reports.

These relate to the ongoing work of the Audit Services Division and allow the Audit Committee to approve and monitor the Audit Plan and to remain informed of significant issues arising.

Risk Management/Corporate Governance Reports.

These reports relate to the corporate governance and risk management arrangements in each of the Council's directorates.

External Audit and Inspection Reports.

These are the reports submitted to Audit Committee by the Council's external auditors PricewaterhouseCoopers (PwC) and other inspection agencies.

Other Governance Issues.

These constitute other areas of governance which the Audit Committee needs to keep under review.

- 2.1.2 The two Sub-Committees of the Audit Committee have adopted separate work programmes:

- The Final Accounts Monitoring and Review Sub Committee which receives reports on the Final Accounts and Annual Governance Statement, Revenue and Capital Budget Programme and other finance matters and;
- Monitoring of Audit Investigations Sub-Committee which receives reports on counter fraud issues and audit/whistleblowing investigations.

All work programmes are circulated with agenda papers for Audit Committee meetings to ensure that Members are kept informed about progress towards completing scheduled reports.

- 2.1.3 The Audit Committee was established under guidelines produced by CIPFA and has been working to these throughout the year. During the year a self-assessment exercise was undertaken which identified that the Committee was operating in accordance with recognized best practice.

- 2.1.4 Looking forward to 2013/14, the terms of reference of the Committee will be subject to review to ensure that there is clarity of focus and that the Committee operates effectively on a strategic level.

- 2.1.5 Key areas of business reviewed by the Committee during the year, are summarised below:

Meeting	Activity
6 July 2012	Annual Internal Audit Report 2011/12 PwC Review of the Effectiveness of Internal Audit Progress Report Annual Review of the Effectiveness of Internal Audit 2011/12 Strategic Risk Register External Audit Update Report 2011/12 Draft Statement of Accounts Annual Governance Statement 2011/12
24 September 2012	External Audit Report to those charged with Governance External Audit - Medium Term Financial Strategy Review Audited Statement of Accounts 2011/12 Internal Audit Update Review of Fraud Related Policies Audit Committee Skills Audit Payment Transparency CIPFA Audit Committee Update Internal Audit Management Arrangements Update Corporate Risk Register Procurement Improvement Programme
17 December 2012	Annual Audit Letter 3012/13 Report of the External Auditors Corporate Risk Register Internal Audit Update Payment Transparency Review of the Assurance Framework CIPFA Audit Committee Update Audit Committee Self-Assessment Benefits Fraud Sanctions Report 2011/12 Human Resources Improvement Plan
11 March 2013	External Audit Plan 2012/13 Annual Governance Statement Update Risk Management Policy and Strategy Delivery Directorate - Risk Management and Governance Internal Audit Update PwC Review of the Effectiveness of Internal Audit – Follow Up Report Strategy for Internal Audit 2013/14 – 2015/16 Payment Transparency Public Sector Internal Audit Standards Audit Committee Terms of Reference – Annual Review
15 April 2013	External Audit – Annual Grants Certification Report Corporate Risk Register Community Directorate – Risk Management and Governance Education and Enterprise – Risk Management and Governance

## 2.2 **Future Workplan for the Audit Committee**

- 2.2.1 A detailed workplan for 2013/14 is currently being developed and will be presented to the next meeting of the Audit Committee. It is envisaged that a consistent approach will be taken to that adopted during 2012/13, thus ensuring that the Audit Committee is able to discharge all its delegated responsibilities while at the same time maintaining high level scrutiny of governance and risk managements affecting the Council at a corporate level. This will include receiving periodic update reports on the risk profile of all significant projects.

## 3. **FINANCIAL IMPLICATIONS**

- 3.1 There are no direct financial implications arising from this report. (GE/03062012/P)

## 4. **LEGAL IMPLICATIONS**

- 4.1 There are no direct legal implications arising from this report. Individual reports referred to will contain legal implications where appropriate. (MW/03062012/R)

## 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**

A Toolkit for Local Authority Audit Committees (CIPFA)