

Audit Committee – 1 September 2010

Review of Audit Committee Effectiveness at Walsall Metropolitan Borough Council

1. Summary of report

- 1.1 Grant Thornton agreed with Walsall MBC that we would undertake a review of the effectiveness of the Council's Audit Committee as part of our annual external audit for 2009/10, in order to appraise the effectiveness of the Committee as an important aspect of the Council's governance and assurance processes. The audit would also assist the Committee in its periodic review and self assessment of its work, in the context of continuous improvement.

2. Recommendations

- 2.1 Audit Committee is requested to note the report and consider how it wishes to respond to the key issues and recommendations highlighted.



James Walsh
Chief Finance Officer
17 August 2010



Rory Borealis
Executive Director (Resources)
17 August 2010

3. Governance

- 3.1 The Audit Committee is an important element of the council's governance and assurance process. Grant Thornton, as the council's external auditors, have carried out a review of the effectiveness of the Audit Committee in respect of its governance role and a number of key issues and recommendations arising from that review are contained in the attached report.

4. Resource and legal considerations

- 4.1 None directly related to this report.

5. Performance and risk management issues

- 5.1 The report raises a number of issues around performance and risk management.

6. Equality implications

- 6.1 None directly associated with this report.

7. Consultation

- 7.1 Grant Thornton designed a questionnaire which was completed by Audit Committee members, the responses from which have been used to prepare this report.

8. Background papers

8.1 Various working papers.

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Review of Audit Committee Effectiveness at Walsall Metropolitan Borough Council

August 2010

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Executive Summary

Background

- 1 Grant Thornton agreed with Walsall MBC that we would undertake a review of the effectiveness of the Council's Audit Committee as part of our annual external audit for 2009-10, in order to appraise the effectiveness of the Committee as an important aspect of the Council's governance and assurance processes. The audit would also assist the Committee in its periodic review and self assessment of its work, in the context of continuous improvement.

Our Approach

- 2 We designed a questionnaire for completion by Audit Committee members. This was distributed to, and completed by, all members of the Audit Committee. Its aim was to gain an understanding of the thoughts of the members of the Audit Committee on the various elements in which it is involved and to gauge which areas they may wish to focus on going forward. We reviewed all responses and compared these to the recognised standards of good practice as recommended by CIPFA and the Audit Commission.
- 3 We discussed our findings from this review with members of the Audit Committee in a workshop session, feeding back their scores and comments to generate a discussion. Collectively, we identified a number of areas worthy of further consideration by the Audit Committee and actions to take forward, which we outline in this report. Appendix B to this document contains the full presentation pack, which includes all the findings and recommendations in detail.

Acknowledgements

- 4 We would like to thank the members of the Audit Committee and Council officers who participated in this review.

Use of this report

- 5 This report has been prepared to advise you of matters arising from our review and should not be used for any other purpose or be given to third parties without out prior written consent.
- 6 Our report is part of a continuing dialogue between the Council and ourselves and should not be relied upon to detect all errors, systems or control weaknesses or opportunities for improvements in management arrangements that might exist. The Council should assess the wider implications of our conclusions and recommendations before deciding whether to accept or implement them, seeking your own specialist advice as appropriate.
- 7 We accept no responsibility in the event any third party incurs claims, or liabilities, or sustains loss, or damage, as a result of their having relied on anything contained within this report.

8 Findings and Actions Arising from Our Review

Role of the Audit Committee

The questionnaire results indicated that the Audit Committee generally feels that it has a clear understanding of its role and purpose and that the respective roles of this and other committees are clear.

In the workshop we discussed the various aspects of the role in some detail, referring to good practice as defined by CIPFA. In summary this may be defined as:

- providing independent assurance of the adequacy of the risk management framework and the associated control environment;
- providing independent scrutiny of the Council's financial and non financial performance, to the extent that it affects the its exposure to risk and impacts on the effectiveness of its control environment; and
- overseeing the financial reporting process.

We also considered the implications of the fact that no audit committee can eliminate fully the inherent risk of serious fraud, misconduct or misrepresentation in the financial statements but it can considerably reduce these risks by:

- raising greater awareness of the need for internal control and the implementation of audit recommendations;
- increasing public confidence in the objectivity and fairness of financial and other reporting;
- reinforcing the importance and independence of internal audit, external audit and any other similar review processes; and
- providing assurance through a process of independent and objective review.

In the workshop Walsall MBC's Audit Committee identified the following areas worthy of further consideration:

Key Issues

Audit Committee members feel that there is a lack of clarity regarding the level of analysis required on their part, compared with that of management.

The Audit Committee is concerned that it may not review all of the key areas it should.

Recommended Action

- R1 Consider which areas of Council business are appropriate for management review and those for the Audit Committee to consider. The latter should focus on identifying trends and requesting information from the relevant officer in order to make informed decisions.
- R2 Consider the use of an 'early warning' system on potentially important issues worthy of tabling at Audit Committee and review these as a priority.

Skills and Knowledge of the Audit Committee

In this section of the questionnaire there was less clarity regarding the skills and competencies required for an effective audit committee and whether or not the Council's Audit Committee possesses these skills in the right mix. This exercise identified that there are differing opinions on the effectiveness of the induction and training process provided by the Council. In addition, a number of Audit Committee members felt that additional training in some areas would be beneficial.

In the workshop we discussed the fact that Audit Committee members are not expected to be experts in all the areas they are expected to review, but do need to be able to call upon the advice of experts in specific areas where appropriate. However, the Audit Committee felt that its membership could be enhanced by the addition of an independent member with a financial background to complement their existing range of skills. We discussed the ways in which this could be achieved, for example by advertising in specific publications for a suitable individual.

Key Issues

The Audit Committee feels that the addition of an independent Audit Committee member would enhance its skill mix.

Additional training was raised by the Audit Committee to support it in the discharge of its duties.

Recommended Actions

- R3 Discuss with officers the options around finding a suitable individual. Ensure clarity of role objectives to guard against any potential imbalances arising within the Audit Committee.
- R4 Identify any training needs required by the Audit Committee, focusing on skills directly required to conduct the role and supporting this with knowledge gathering by other means such as briefings by specialists in particular areas where the need arises, for example European Grant Funding.

Role of External Audit

The questionnaire highlighted a wide range of responses in relation to the Audit Committee's clarity of understanding of External Audit's role. However it was generally felt that External Audit fulfils its responsibilities well.

During the workshop discussion on this topic, we agreed that actions such as inviting External Audit to present information regarding its work to the Audit Committee would be extremely valuable and worthy of more detailed consideration, for example:

- how its work is prescribed nationally (including the requirement for independence);
- how its work is influenced by local risks but it is the task of Internal Audit to assess this;
- respective responsibilities of Internal and External Audit; and

- the scope and focus of the work programme.

We discussed the role of External Audit, as defined by the Audit Commission, which can be summarised as the following:

- to undertake an audit and reporting opinion on whether the Council's accounts 'present fairly' the financial position of the Council; and
- to reach a conclusion on whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its Use of Resources.

In summary, the Audit Committee identified the following as worthy of further consideration:

Key Issue

There is scope for the Audit Committee to gain a better understanding of the role of External Audit.

Recommended Action

R5 Consider probing external audit for example requesting presentations at Audit Committee on specific areas e.g. the scope and focus of its work and why it is important.

Role of Internal Audit

The questionnaire again produced a wide range of responses to this section demonstrating that there is some scope for enhancing the Audit Committee's knowledge of what Internal Audit does and to what extent it achieves its objectives.

We discussed CIPFA's best practice regarding Internal Audit, which it describes as:

- an assurance function, providing independent and objective opinion on risk, governance and internal control;
- working in partnership with management to improve the control environment;
- providing additional resource where needed, for example fraud related advice; and
- not being responsible for preventing and detecting fraud but acting upon information regarding any suspected or detected fraud or corruption.

In the workshop the Audit Committee identified the following as worthy of further consideration:

Key Issue

There is general concern over potential delays between a matter arising and it being brought for review to the Audit Committee.

Recommended Action

R6 Consider adoption of a RAG rated priority system to ensure that key issues are escalated and reviewed by the Audit Committee on a more timely basis.

Risk Management

The questionnaire asked Audit Committee members for their thoughts regarding the Committee's role in risk management. The results demonstrated that there is no full consensus regarding clarity of understanding of the Committee's responsibility for risk management and how this may be used to inform its assurance requirements.

Again, we discussed best practice in the workshop. This states that the Audit Committee:

- is responsible for assessing the organisation's risk management, control and governance arrangements and advising the Council on the effectiveness and outcomes of these arrangements;
- needs to establish how key risks are identified and the rigour of the review process; and
- is not seeking to take on a role belonging to management; it is seeking to satisfy itself that officers have properly discharged their responsibilities.

In the workshop the Audit Committee identified the following as worthy of consideration:

Key Issue

Concern that the Audit Committee becomes involved in the detail of an issue.

Recommended Action

R7 Focus on the observation of trends rather than detail. Consider how risks are increasing or decreasing through time and assess their impact.

Appendix A

Recommendation		Priority	Council Comments	Responsibility	Date
Role of the Audit Committee					
R1	Consider which areas of Council business are appropriate for management review and those for the Audit Committee to consider. The latter should focus on identifying trends and requesting information from the relevant officer in order to make informed decisions.	M			
R2	Consider the use of an 'early warning' system on potentially important issues worthy of tabling at Audit Committee and review these as a priority.	H			

Recommendation		Priority	Council Comments	Responsibility	Date
Skills and Knowledge of the Audit Committee					
R3	Discuss with officers the options around finding a suitable independent member. Ensure clarity of role objectives to guard against any potential imbalances arising within the committee.	M			
R4	Identify any training needs required by the Audit Committee, focusing on skills directly required to conduct the role and supporting this with knowledge gathering by other means such as briefings by specialists in particular areas where the need arises, for example European Grant Funding.	H			
Role of External Audit					
R5	Consider probing external audit for example requesting presentations at Audit Committee on specific areas eg the scope and focus of its work and why it is important.	M			

Recommendation		Priority	Council Comments	Responsibility	Date
Role of Internal Audit					
R6	Consider the adoption of a RAG rated priority system to ensure that key issues are escalated and reviewed by the Audit Committee on a more timely basis.	H			
Risk Management					
R7	Focus on the observation of trends rather than detail. Consider how risks are increasing or decreasing through time and assess their impact.	M			

Appendix B



Walsall Metropolitan Borough Council

Audit Committee workshop

Nichola Crail & Vivien Holland

30 March 2010

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Agenda

Purpose of today	• Context • Scope and objectives of this evening
Role and operation of Audit Committee	• What is the Audit Committee's view? • What does good practice say? • GAP analysis • Discussion
Role of Assurance Providers (Audit and Risk)	• What is the Audit Committee's view? • What does good practice say? • GAP analysis • Discussion

Purpose and context

- Governance includes the efficient and effective discharge of Audit Committee roles and responsibilities
- Good practice is for the periodic independent review and self assessments of the Audit Committee
- Help facilitate self-assessment by you to identify opportunities to strengthen the Committee's challenge of the Council's arrangements....

.....i.e. are there things needed that will allow you to discharge your role better, more easily, quicker etc.

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Approach

- Last month - undertook Independent/confidential survey to inform our understanding of members understanding of:
 - role and operation of the Committee
 - skills and competencies required for the Committee
 - the role of Assurance Sources to the Committee
- Today - capture and feedback through workshop to allow validation and discussion
- Next Steps - agree deliverable and develop AC action plan

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Role of the Audit Committee

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Role of the Committee: feedback

Question	Self Assessment
I have a clear understanding of the role and purpose of the Audit Committee	4-5
I believe that the Audit Committee members have a common understanding of the Committee's role.	2-5
I think the respective roles of the Audit Committee and the Resources and Governance Overview and Scrutiny Committee are clear	4-5
Who is your first point of contact within the Council to obtain clarification on your role?	S151 officer

The scores above indicate the range of responses
Scores: 5 = strongly agree, 1 = strongly disagree

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Role of the Audit Committee: your comments

- Independent probing and questioning of officers
- High professional ethical standards
- Assurance framework
- Risk attached to preferred actions
- Arrangements for delivery of VfM
- Check that the Council gets value for money
- Statement of accounts/internal/external audit
- Monitoring all expenditure
- Spot checks of departments' accounts
- Audit role - ensure good financial management
- Monitoring of the financial position

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Role of the Audit Committee: your comments

- Counter fraud arrangements/whistle-blowing policy
- Scrutiny and challenge role - that the Executive has made right decision
- AC refers to scrutiny any matters where they believe policy goals need to be considered e.g. Serco contract
- Not all members have the basic knowledge required
- There is a lack of appropriate training
- Some members are new to audit
- Some members may not realise the power of the Committee
- Politics may hinder ability to discharge duties as fully as possible

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CIPFA defines the purpose of an audit committee as:

- Provide ***independent assurance*** of the adequacy of the ***risk management framework*** and the associated control environment
- Provide ***independent scrutiny*** of the ***authority's financial and non-financial performance*** to the extent that it affects the authority's exposure to risk and weakens the control environment
- ***Oversee the financial reporting process***
- ***Review the effectiveness*** of the system of IA

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What role should the AC take in discharging its duties?

- Key role ***overseeing/assessing effectiveness*** of authority's risk management arrangements, control environment and associated anti-fraud and anti-corruption arrangements
- Advise the Council on the adequacy and effectiveness of these
- ***Seek assurances*** that action is being taken on risk related issues identified by auditors and inspectors
- Be satisfied that the authority's ***assurance statements***, including the AGS, properly reflect the risk environment and actions required to improve it
- ***Approve*** (but not direct) IA's strategy, plan and ***monitor performance***

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What role should the AC take in discharging its purpose?

- Review summary IA reports and **main issues arising. Seek assurance that action has been taken** where necessary
- Consider findings of the review of effectiveness of the systems of IA
- Consider **reports** of EA and inspection agencies
- Ensure there are **effective relationships** between EA and IA, inspection agencies and other relevant bodies
- Ensure **value of the audit process** is actively promoted
- Review financial statements, EA's opinion and reports to members

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The differing roles of Scrutiny and ACs:

- **Scrutiny:** review policy and challenge whether the executive has made the right decisions to deliver policy goals
- **Audit:** provide independent assurance that there are adequate controls in place to mitigate key risks and to provide assurance that the authority, including the scrutiny function, is operating effectively
- Audit committee's judgments might be informed by the results of scrutiny activity within the authority

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Benefits of an effective Audit Committee

- Effective internal control: AC cannot **eliminate** risk of serious fraud, misconduct or misrepresentation of the financial position, but an AC can
 - **Raise greater awareness** of the need for internal control and the implementation of audit recommendations
 - **Increase public confidence** in the objectivity and fairness of financial and other reporting
 - **Reinforce the importance and independence** of IA, EA and other similar review process (e.g. AGS)
 - Provide additional assurance through a process of **independent and objective review**

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Pre-requisites of an effective audit committee:

- ACs deal with complex matters, sometimes requiring **specialist knowledge and advice**
- AC members be **made aware** of key items that inform their work, e.g. governance and regulatory structures, the authority's VFM strategy, how it ensures its delivery and Gershon expectations and how they might affect the authority
- AC members should be **sufficiently independent** from other key committees of the Council
- AC meetings should be **free, open and without political influence**

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Thoughts for discussion...

- **Seek assurance** that action is being taken vs. **monitoring financial position**
- **Review** financial statements vs **spot check** accounts
- Be aware of **VfM strategy** vs. check that **VfM is achieved**
- **Scrutinise** vs **refer** to scrutiny
- Political hindrance
- Understanding the power of AC
- **Call in** specialist knowledge and advice vs **lack relevant knowledge**

...anything else?

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Skills and competencies of an effective Audit Committee

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Skills and competencies of the Committee: feedback

Question	Self Assessment
I have a clear understanding of the skills that are required to make up an effective Audit Committee.	2 - 5
I together with other members of the Audit Committee collectively have the requisite skills to deliver to the responsibilities of the AC	3 - 5
I together with other members of the Audit Committee collectively have the requisite personal attributes to deliver to the responsibilities of the Audit Committee.	3 - 5
I have a clear understanding of the skills I have been asked to bring to the Audit Committee.	3 - 5
I believe that I have the skills and personal attributes that are required of me as member of the Audit Committee.	4 - 5

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Skills and competencies of the Committee: feedback

Question	Self Assessment
The Council has an effective induction process for new members	2 - 5
The Council has an effective process for assessing the skills/competencies needed by the Audit Committee on a regular basis.	2 - 3
The Council fills skills/competency gaps in the Audit Committee in a timely and effective manner.	2 - 3
There is a proactive approach by Council to understand and provide any training I need as a member of the Audit Committee.	1 - 3

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Gap analysis...the importance of personal attributes required

	Very	Quite	No
Judgement	4	2	
Challenging	5	1	
Integrity and probity	6		
Interpersonal skills	2	3	1
Eye for detail	4	2	
High ethical standards	6		
Question and debate	6		
Other (common sense)	1		

Number of scores for each category e.g. all 6 members thought high ethical standards are very important

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Gap analysis...skills and knowledge

	Have	Need	Gap/Comment
Financial literacy	5S, 1N	1E, 5S	Yes/Cover
Accountancy	1E, 4S, 1N	1E, 5S	Cover?
Auditing	5S, 1N	1E, 5S	
Commercial	1E, 4S, 1N	1E, 5S	
Perf.m'tment/VfM	1E, 4S, 1N	1E, 5S	Cover?
Risk Management	5S, 1N	1E, 5S	Yes?
Governance	6S	6S	
LG knowledge	6S	1E, 5S	Yes?
LG regulatory regime	5S, 1N	6S	
Major LG op. areas	5S, 1N	5S, 1N	
Human resources	5S, 1N	5S, 1N	
Other	1 some	3 some	

S = Some N = None

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In the Gap/Comment, 'yes' indicates that a gap was noted. 'Cover' indicates that sufficient cover is required in these areas across all members of the Audit Committee.

Role of Assurance Providers (External Audit)

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Role of the External Audit: feedback

Question	Self Assessment
I have a clear understanding of the role of external audit for the Council	1 - 5
EA fulfils its responsibilities and provides the required assurances to the AC	4 - 5
EA makes an effective contribution to the AC, including clear reporting	5

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Role of External Audit – Your comments

- EA's role is to cover financial governance matters, to target work on areas that involve significant amounts of public money, to assess risks in connection with achieving the authority's objectives
- The responsibility of the EA is to ensure that the authority has proper arrangements in place for the conduct of business and that public money is safeguarded and properly accounted for
- Audit letter
- Ensure risk is properly addressed



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Role of External Audit – Your comments

- Identify weaknesses or opportunities for improvement in management
- Check on statements of accounts and areas where there may be irregularities
- That outcomes of policy have value for money
- To examine own IA for robustness
- Look at reports on external funding/grants coming into council where we have accountable body status



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Role of Assurance Providers: External Audit - What the Audit Commission says

- The role of EA is:
 - to undertake an audit and reporting an opinion on whether the Council's accounts 'present fairly' the financial position of the Council ('accounts opinion')
 - to reach a conclusion on whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources ('VFM conclusion')



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Role of Assurance Providers: External Audit - What does this entail?

- Accounts:
 - review of internal audit work on core systems
 - external audit review of controls that could impact on accounts accuracy (eg budgetary control and IT)
 - audit of the accounts
- VFM in the use of resources – KLoE and local risk based work on:
 - financial reporting
 - financial management and financial standing
 - internal control (including RM, IA, AC and anti-F&C)
 - VFM



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Thoughts for discussion...

- Responses highlight some of the detail of the role of external audit
- Some scope for better high level understanding of the role of external audit, including
 - how our work is prescribed nationally, including the requirement for us to be independent
 - how our work is influenced by local risks but we do not assess risk (IA)
 - respective responsibilities of internal and external audit (e.g. re the accounts audit)
 - the scope and focus of our work

.....anything else?

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Role of Assurance Providers (Internal Audit)

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Role of the Internal Audit: feedback

Question	Self Assessment
I have a clear understanding of the role of internal audit for the Council.	2 - 5
IA fulfils its responsibilities and provides the required assurances to the AC	1 - 5
IA makes an effective contribution to the AC, including clear reporting	1 - 5

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Role of Internal Audit/How AC's role links in – Your comments

- Prevention and detection of fraud
- Supporting the work of the chief auditor and his staff
- Regular audit reports to scrutinise or select for detailed review
- Question managers who fail to comply with recommendations
- Follow up on more serious fraud allegations
- Tendering and monitoring are fully exposed
- Check that departments get value for money

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Role of Internal Audit/How AC's role links in – Your comments

- Check that departments do not overspend
- Review annual review from IA and reach opinion on the internal control environment and internal audit coverage
- Monitor progress against plan and assess whether adequate skills and resources are available to provide an effective audit function

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Role of Assurance Providers: Internal Audit – What does CIPFA say?

- **Assurance function** providing an independent and objective opinion to WMBC on governance, risk management and internal control environment by evaluating its effectiveness in achieving its objectives
- **Objectively examine, evaluate and report** on adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources
- **Form opinions** about risks and controls identified by management
- Annually **give a formal opinion** on the control environment (IA will have done sufficient, evidenced work to form a supportable conclusion)

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Role of Assurance Providers: Internal Audit – What else does CIPFA say?

- **Work in partnership** with management to improve the control environment and assist the organisation in achieving its objectives.
- **Where resources and skills exist**, provide additional services including **fraud-related and consultancy work**.
- NO responsibility for the prevention or detection of fraud and corruption, but **HIA should be notified** of all suspected or detected fraud, corruption or impropriety.
- At the request of management to investigate suspected fraud or corruption.

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Thoughts for discussion...

- To **ensure** that controls are in place vs **prevention** and **detection** of fraud
- **Check** vs **gain assurance** over
- Provide **opinion** on risk and control vs follow up on serious fraud
- Remit covers the whole organisation

.....anything else?

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Role of Assurance Providers (Risk Management)

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Role of the Committee in risk management and AC's use of risk management: feedback

Question	Self Assessment
I have a clear understanding of the Audit Committee's responsibility for risk management arrangements within the Council.	2 - 5
I understand how the committee should use the Council's formal risk management arrangements to inform its assurance requirements.	2 - 5

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Risk Management – Your comments

- Lack of training in all areas prevents lack of clarity of understanding
- AC reviews mechanisms for assessing the management of risk
- Have excellent risk manager who attends all AC meetings
- Have looked at higher risk items in detail and monitored, been to risk management workshops which helped
- Identify future risk in a matrix
- AC have agreed to regular monitoring of risk register. Able to monitor changes to the risk environment and guide any associated actions and seek assurance that action is being taken on risk related issues identified by auditors and inspectors

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Risk Management – What does good practice say?

- AC is responsible for assessing the organisation's risk management, control and governance arrangements, and advising the Council on the **effectiveness and outcomes** of these arrangements.
- To assess properly the adequacy of the organisation's risk management arrangements, the AC needs to establish
 - how key risks to objectives are **identified, evaluated** and **managed**
 - the rigour and comprehensiveness of the review process.

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Risk Management – What does good practice say?

- The role of the Audit Committee is a non-executive one:
 - in enquiring into these matters it is not seeking to take on an executive function that properly belongs to management; and
 - instead, AC is aiming to satisfy itself that management has properly fulfilled its responsibilities.



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What should the AC's understanding of risk management be?

- AC should be given training in the basic RM concepts, i.e. how the risks are identified, measured, mitigated and how the acceptable level of residual risk is decided.
- AC should understand
 - Civil Contingencies Act requirements and how the authority manages its own contingency/business recovery plans;
 - risks to key partners and suppliers on which the authority is reliant and how they are being managed; and
 - how the role of insurance and other risk financing is used within the risk management process.

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Thoughts for discussion...

- training in risk management concepts and plans to aid understanding
- *review* but not *formulate* risk register

.....anything else?

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Operation of the Committee and the Change Agenda

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Effective Committee operations?: feedback

There is an effective plan, which is developed in consultation with the Audit Committee that articulates work the Committee will undertake	2 - 5
The Council enables the Audit Committee to focus on the key issues and has a risk-based approach to work	3 - 5
Any variations to planned work are clearly communicated and agreed with the Audit Committee	3 - 5
Management alerts the Audit Committee to emerging issues	4 - 5
I am satisfied that the Audit Committee's work plan is aligned to effectively respond to emerging issues	3 - 5
I have timely access to all the appropriate information to discharge my responsibilities effectively	4 - 5

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Impact of the Audit Committee?: feedback

The Audit Committee	
- is efficient in the discharge of its business	4 - 5
- strikes an appropriate balance between robust oversight and strong relationships between the Council's officers and auditors	4 - 5
- has a positive impact within the Council	4 - 5
- is credible within the Council (and to key stakeholders)	4 - 5

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What the AC does well.....

...and improvement opportunities you identified

- ✓ has an effective workplan
- ✓ advises on management responses to reports/recs
- ✓ questioning/challenging/debating
- ✓ monitors council expenditure
- ✓ spot checks of accounts
- ✓ has a membership that is balanced and objective

- × meet frontline staff
- × learn from other councils
- × more publicising of the work of audit
- × report on external funding streams such as WNF and ERDF for scrutiny
- × seek those who have accountancy knowledge to serve
- × more training for members

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Instigating change: 3 learning areas...

List up to three key specific skills, competency or knowledge you currently lack, which hinders your ability to fully discharge your Audit Committee responsibilities?

Specific training aimed at AC members	Knowledge of European law	Overview of council activities	Awareness of the financial risk environment
Knowledge of human resources	Knowledge of audit and accountancy	Understanding of regulatory framework	

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