
AUDIT PANEL ANNUAL REPORT 2010/11

Reason for the Report

1. To consider the Audit Panel Annual Report 2010/11 attached at **Appendix 1**

Background

2. The Committee has maintained links with the Audit Panel since its inception in 2002. In 2009 the Panel underwent a formal review of its role and responsibilities to assess its effectiveness in delivering its core functions. The review facilitated the new make up of the current Audit Panel, the profile and an extended Terms of Reference. Members are referred to **Appendix 2** for the respective Terms of Reference of the Audit Panel and the Policy Review & Performance Scrutiny Committee.
3. The Panel is comprised of a mix of Independent Panel Members and Non Executive Councillors to maintain independence and an external perspective, alongside the experience and knowledge that Councillors bring to the meetings. Four Independent Panel Members formally appointed following advertisement sit alongside three appointed Councillors, representing the main political parties.
4. The composition of the Audit Panel is therefore currently
 - Sir John Shortridge (Chair)
 - Sir Richard Lloyd Jones
 - Dr Nick Cooling

- Professor Maurice Pendlebury
 - Councillor Jayne Cowan
 - Councillor Tim Davies
 - Councillor Bill Kelloway.
5. In 2009 the role of Scrutiny in relation to the Panel was also reviewed, aspiring to ensure that the roles of the Panel and Scrutiny were complementary, that any duplication was reduced to a minimum, that close working relationships were developed to help prevent overlap and duplication, and that complementary roles were encouraged.
6. Following scrutiny of the new arrangements in July 2009 the Committee agreed that a mutually respectful working relationship with the Audit Panel was beneficial, agreed there was a clear role for both bodies, and anticipated a two way referral between the Panel and Committee.

Way Forward

7. To present the Audit Panel's Annual Report for 2010/11, and consider further the Panel's relationship with this Committee, Sir John Shortridge, Chair of the Audit Panel; and Christine Salter, Corporate Chief Officer have been invited to attend.

Legal Implications

8. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person

exercising powers of behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

9. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

RECOMMENDATIONS

10. Members are recommended to
 - (i) Note the Audit Panel Annual Report 2010/11;
 - (ii) Identify any observations on the roles and relationship between the two bodies that require officer review; referral to the Constitution Working Group and the Audit Panel.

MIKE DAVIES

Head of Scrutiny, Performance & Improvement

10 January 2012

Audit Panel Annual Report 2010/11 City and County of Cardiff



A Proud Capital



The Ten General Principles of Public Life

<p>Selflessness - members should serve only the public interest and should never improperly confer an advantage or disadvantage on any person.</p>	<p>Personal Judgement - members may take account of the views of others, including their political groups, but should reach their own conclusions on the issues before them and act in accordance with those conclusions.</p>
<p>Honesty and Integrity - members should not place themselves in situations where their honesty and integrity may be questioned, should not behave improperly, and should on all occasions avoid the appearance of such behaviour.</p>	<p>Respect for Others - members should promote equality by not discriminating unlawfully against any person, and by treating people with respect, regardless of their race, age, religion, gender, sexual orientation or disability. They should respect the impartiality and integrity of the authority's statutory officers and its other employees.</p>
<p>Objectivity - members should make decisions on merit, including when making appointments, awarding contracts, or recommending individuals for rewards or benefit.</p>	<p>Duty to Uphold the Law - members should uphold the law and, on all occasions, act in accordance with the trust that the public is entitled to place in them.</p>
<p>Accountability - members should be accountable to the public for their actions and the manner in which they carry out their responsibilities, and should co-operate fully and honestly with any scrutiny appropriate to their particular office.</p>	<p>Stewardship - members should do whatever they are able to do to ensure that their authorities use their resources prudently, and in accordance with the law.</p>
<p>Openness - members should be as open as possible about their actions and those of their authority, and should be prepared to give reasons for those actions.</p>	<p>Leadership - members should promote and support these principles by leadership, and by example, and should act in a way that secures or preserves public confidence.</p>
	<p><i>"Nolan Committee on Standards in Public Life"</i></p>

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Chair's Foreword

I am pleased to present the Annual report of the Audit Panel for 2010/11. This is my second report as Chair since this particular Panel format was introduced in July 2009. I take this opportunity to express my gratitude to the members of the Panel for re-electing me for a second term and for their contributions at all meetings that have been held.

The Role of the Audit Panel

The role of the Panel was set when the opportunity was taken in July 2009, to refresh the Terms of Reference. This role has continued and remains as follows:

- a) To consider matters of relevance to the efficient financial administration of the Council, particularly in relation to its systems of good corporate governance, probity and financial strength
- b) To receive relevant reports from the Council's Section 151 Officer with regard to the above and to consider internal audit matters brought to the Panel's attention by the Section 151 Officer or the Internal Audit & Risk Manager or requested by the Panel
- c) To receive reports of the Council's External Auditor, in particular concerning the Regulatory Plan, the Annual Audit Letter and any statutory reports issued by the Auditor
- d) To agree responses to external audit reports where appropriate and to refer these (along with the report) to the Executive or relevant Scrutiny Committee or Council as appropriate and to consider any responses where relevant
- e) To receive a quarterly report of all completed audit reports with a synopsis of the work undertaken together with a graded assurance opinion
- f) To receive a quarterly summary report of school audits together with a graded assurance opinion with individual reports considered by school governing bodies
- g) To review the implementation of internal audit report recommendations on a regular basis as part of the Audit & Risk Manager's progress reporting cycle
- h) To review value for money, efficiency and effectiveness through consideration of financial performance indicators and comparative studies where relevant
- i) To raise the profile of probity generally within the Council and to report on matters of concern to the Executive or to Council as necessary and appropriate
- j) To receive reports of any significant incidents of fraud or financial impropriety and actions taken to enhance controls where this is considered necessary
- k) To receive reports on fraud prevention and detection initiatives and updates to any related policies and strategies.
- l) To examine the annual audit plan and propose for consideration any other audit investigations
- m) To regularly review the Risk Register.

This has provided us with an important and exciting challenge over the past 12 months. Cardiff Council is a hugely diverse organisation - keen to adapt and change as pressures increase, to deliver a high standard of modern services to its citizens, communities and customers within increasing financial constraints.

Membership of the Panel increased in 2009 to seven, with the appointment of an additional independent Member and three Council Members, which extended the knowledge and experience of the Panel. The Panel has continued to work well. The wide range of skills and knowledge amongst the Panel Members has enabled us to have good and thorough discussions of the matters before us and to fulfil our terms of reference effectively. As a result of the changes proposed in the recent Local Government Measure, the role and composition of the Panel will change again within the next year. The Panel hopes that it will be afforded the opportunity to help shape these new arrangements.

Details of the Panel Members are shown later in the document. They have been supported by a core group of others who attend meetings on a regular basis:

Christine Salter, Chief Corporate Services & Section 151 Officer, Cardiff Council
Derek King, Audit & Risk Manager, Cardiff Council
Derwyn Owen, Audit Manager, Wales Audit Office
Steve Barry, Improvement Assessment Lead, Wales Audit Office
Anthony Barrett, Appointed Auditor, Wales Audit Office

Councillor Mark Stephens usually attends as an Observer.

Over the past year we have met on four occasions (5th July, 15th September, 14th December 2010 and 7th March 2011). Each meeting has an agenda with some standard items, which provided an opportunity for updates on the work of both External and Internal Audit, supplemented by items covering priorities from our Work Plan.

The Work Plan was constructed taking account of key elements of business and governance arrangements in order to cover the terms of reference established for the Panel. It has been heavily influenced by the Wales Audit Office and by the officers of the Council who attend our meetings. The Work Plan is reviewed at each meeting, and all the Panel members are encouraged to voice any concerns they may have so that agendas can be set taking account of changing risks and priorities.

OUR WORK IN 2010-11

Key Observations

- We consider that we have been well supported by the Wales Audit Office and Council officers in undertaking our role throughout 2010/11. We have relied on the officers in helping set the Work Plan and our priorities over the past twelve months, which have centred around the strategic risks and significant challenges the Council is facing. The work of the Wales Audit Office and the Internal Audit Section has been very helpful in providing us with assurance, and we are very grateful for their contributions.
- We have selected what we consider to be high profile and high risk areas within the Council for inclusion in our Work Plan, and we have had a number of presentations and opportunities to challenge and discuss actions taken in response to both external and internal audit reports. We have had the opportunity to meet with a number of officers responsible for various aspects of service delivery and this has enhanced our understanding of the services they provide and the challenges that they face.

- Generally we are pleased to report good progress in the areas we have examined. In some areas we are keen to receive further reports over the coming year to monitor developments against stated aims and objectives. We have identified some areas where there is scope to improve control e.g. unsatisfactory opinions provided by Internal auditors in relation to schools, where we are keen to monitor progress.
- Overall, we are able to provide assurance to the Executive, based on what has been presented to us, that there are generally robust controls and a strong internal control environment in place with good attention given to governance and risks within the Council.
- We do, however, recognise that the Council has a number of ongoing business challenges and new initiatives to introduce over coming months/years, and it is therefore vital that good governance is maintained. Set against a backdrop of severe financial pressure the Council has identified some radical initiatives, through its Transformational Agenda, to help secure savings and improve service delivery to customers and communities, and we welcome the opportunity to support the Council as it responds to these challenges.

Standard Items

Budget & Statement of Accounts

The Chief Corporate Services & Section 151 Officer provides a budget update at every meeting outlining any strategy, outturn report figures etc. to provide the Panel Members with an overview of the financial standing of the Council. This allows for an opportunity to raise questions around any matters arising.

At appropriate times of the year specific documents are considered in more detail e.g. Annual Out-turn Report and Budget Strategy.

Governance Documents

The Audit & Risk Manager provides a regular update on the Corporate Risk Register and at appropriate times on the Council Governance Framework and the Annual Governance Statement. These are key documents which inform the Panel of potential areas to consider as part of their Work Plan. It also serves to provide assurance around general governance arrangements within the Council.

External Audit (Wales Audit Office)

The Audit Panel places much reliance on the work of the Wales Audit Office (WAO) and meeting agendas allow for an update on ongoing work.

The Panel has received updates at all meetings and had an opportunity to consider key documents received from WAO e.g. Annual Improvement Report, Annual Audit Letter, Statement of Accounts 2009-10, WAO Preliminary Corporate Assessment Update, WAO Assessment of Internal Audit, Draft Financial Audit Outline 2010-2011 and the Local Government Measure.

Internal Audit

The Audit Panel also places much reliance on the work of the Internal Audit Section and meeting agendas allow for an update on ongoing work. The Audit & Risk Manager prepares a quarterly report for the Chief Corporate Services & Section 151 Officer which is now shared with the

Panel, providing them with an overview of work done, key performance management information, details of all audits and updates on key control issues.

The Panel has been interested in the key outcomes of the audits undertaken over the past 12 months and have expressed concern over reports where the auditor has expressed an unsatisfactory opinion, particularly those relating to schools. The Chair wrote to the Chairs of Governing Bodies for two schools, seeking assurances that controls had been addressed where there appeared to be particular delays in actioning internal audit recommendations to enhance control. These assurances have been provided, and both will be revisited in due course as part of the audit follow up process.

As a consequence of unsatisfactory audit opinions and delays in addressing audit concerns, two Chief Officers were asked to attend the Panel meeting and to provide assurance that appropriate actions were being taken to improve internal control in specific areas:

- Chris Jones, Chief Schools & Lifelong Learning Officer attended the December meeting following concerns regarding the number of schools receiving unsatisfactory audits to discuss school governance.
- Maria Michael, Chief Officer, Children's Services, attended in March to update the Panel on the arrangements for Leaving Care. She outlined new procedures for management consideration of internal audit reports in order that more timely responses were provided in future.

This served to highlight the importance of audit reports and timely actioning of recommendations to improve controls where considered appropriate.

The Panel also consider key documents received from the Audit & Risk Manager i.e. Annual Audit Plan, Annual Audit Report, the Role of the Chief Finance Officer and Head of Internal Audit along with updates on issues such as Highway Fraud, Waste Management audit and the Council's Money Laundering Policy.

Main Themes

Transformation

The Council had identified some time ago the need for a fundamental operational review to meet the challenges of more customer focused service delivery at a time of increasing financial pressures, and a transformation programme has been ongoing for some time.

This is having a major impact on how the authority is structured and delivering its services with huge changes proposed across all service areas. This has presented significant risks with almost every aspect of Council business being affected and new ways of working being introduced. The Panel has been seeking assurances in particular about the governance arrangements that have been put in place. The Chief Corporate Services & Section 151 Officer has kept the Panel members updated and the Wales Audit Office and Internal Audit have provided updates of work they have carried out in relation to this. To supplement this, the Panel have invited the following to meetings over the past 12 months.

- Nichola Poole, Strategic Transformational Change Programme Manager attended the September meeting to provide an overview on the Strategic Transformational Change – Governance. She also attended the March 2011 meeting to provide an update on the latest development of the Transformational Change Programme and outlined the projects contained within the scope of the programme.

- Charles Coats, Corporate Property & Estates Manager attended in December to outline the details of a review of the Council's land and property estate. This is one of the seven key programme areas under transformation.
- Steve Robinson, Operational Manager, Procurement & Supplies, attended the March 2011 meeting to outline to the Panel the details of the Transformational Change Programme Project – Commissioning & Procurement through Category Management.

Treasury Management

Anil Hirani, Operational Manager - Capital & Treasury attended in July 2010 and outlined the key issues regarding the fixed asset accounting issues raised by the Wales Audit Office. He also updated the Panel on Treasury Management generally, the details contained in the report regarding the Outturn for 2009/10, the Strategy for 2010/11 and clarified the Panel's responsibility in their review role in this area.

The Panel received training in Treasury Management in December and Anil Hirani attended their meeting in March 2011 to follow up on the Treasury Management Mid Term Report - Case Study. He also outlined the details in the Treasury Management Strategy 2011/12 and discussed the requirements for the preparation of Treasury Management Practices.

The Panel takes these new, and onerous, responsibilities very seriously, and have asked for further information about them in the future so that they can be confident that they are meeting the Council's requirements of them satisfactorily.

Performance Management

Vivienne Pearson, OM, Performance, Change & Efficiency attended in September 2010 and outlined the background and future arrangements of Performance Management in Cardiff Council. This highlighted changes to reporting arrangements for performance management which are likely to be subject to further work in 2011/12.

Partnership/Collaboration

Considered to be a high risk area, identified as such in the Corporate Risk Register, the Panel received two presentations during 2010/11 relating to partnership working:

- Tony Riches, Chief Social Projects & Development Officer attended the July meeting and updated the Panel on the progress of establishing a business transformation partner. The Chief Corporate Services & Section 151 Officer has updated the Panel since, regarding this.
- Rachel Jones, Operational Manager - Strategy & Partnerships attended the July meeting and provided an update on the Integrated Partnership Strategy and explained the reason behind the Strategy, the benefits and the next stage in the process. This is to be revisited during 2011/12.

Other areas

Reviews of the Panel's Action Plan have also included updates on *Delayed Transfer of Care *Building Management Programme *Performance Outcomes *Housing Quality Standard *Waste Management *Senior Management Restructure.

FUTURE PRIORITIES

Key to the success of the Panel is the identification of areas of risk, concern or interest and the seeking of assurances that the Council is managing these effectively. At each meeting officers are invited to raise any matters of concern which are then incorporated into Work Plans.

Many of the agendas for meetings during 2011/12 will feature follow-ups from previous consideration of matters so that assurance can be obtained on progress and improvements being made in these areas.

The range of topics to be covered includes:

Transformation - There is no doubt that the scale of change taking place across the Council is ambitious, fast paced and already delivering the kind of benefits the authority needs to make to secure the target of £8.7 million savings in 2011/12 as well as preparing the ground to meet significant savings over the next few years. A Transformation Portfolio, with seven programmes, means that a great deal of work is being done to deliver a wide range of projects. Both the risks and the rewards are very high which is why the Panel will continue to take a close interest in the progress being made.

Single Status - following the attendance of Philip Lenz, Corporate Chief Officer – Shared at the Panel meeting in March 2010, the Panel hope to have assurances that single status has been introduced with minimal disruption and cost.

Business Continuity - following Gavin Macho and Andy Pepper's presentation in March 2010 we hope to have positive feedback on the work ongoing to identify and target key corporate risks which may have significant impact on business.

Further work on Partnerships - Further updates on the work engaging with others and collaborating on delivering services in an economic, efficient and effective manner, are planned.

In addition, preparation will need to be made for the changes in the membership and role of the Panel as required by the Local Government Measure which is likely to be introduced with effect from April 2012.

Sir Jon Shortridge
Chair
Audit Panel
Cardiff County Council

Attendance Record

The Panel has an agreed schedule of meetings.

MEMBER ATTENDANCE		
	POSSIBLE	ACTUAL
Sir Jon Shortridge	4	4
Dr Nick Cooling	4	3
Councillor Jayne Cowan	2	2
Councillor Tim Davies	4	3
Councillor Bill Kelloway	4	2
Sir Richard Lloyd-Jones	4	4
Professor Maurice Pendlebury	4	4
Councillor Brian Finn	2	0

Helpful Contacts

Sir Jon Shortridge, Chairman of Audit Panel, 01743 366670
Christine Salter, Chief Corporate Services & Section 151 Officer - 029 2087 2301
Derek King, Audit & Risk Manager, 029 2087 2248, Derek.King@cardiff.gov.uk
Derwyn Owen, Audit Manager, Wales Audit Office - 029 2087 2259
Steve Barry, Improvement Assessment Lead, Wales Audit Office - 029 2032 0500
Anthony Barrett, Appointed Auditor, Wales Audit Office - 029 2032 0500

Audit Panel Membership

- The Panel consists of four independent members (either current members or new members sought by public advertisement) and three Non Executive Councillors, elected by Council.
- One of the independent members is appointed Chair of the Panel, by the Panel, on an annual basis.
- Independent members are appointed for four years with Council Members reappointed annually.
- WAO representation as appropriate.
- Council officer attendance as current with the Council's Section 151 Officer as lead support.
- During the year Councillor Finn resigned and Councillor Jayne Cowan was appointed.



**Sir Jon Shortridge
(Chair)**

Jon Shortridge has degrees in Philosophy, Politics and Economics from Oxford University, and in Urban Design and Regional Planning from Edinburgh University.

He spent the first six years of his career as a social researcher in the Ministry of Housing, the Countryside Commission, and the Department of the Environment, and then worked as a town planner for Shropshire County Council for 9 years.

He joined the Welsh Office in 1984. Between 1987 and 1988 he was Private Secretary to two Secretaries of State for Wales. From 1988 to 1992 he was Head of the Welsh Office's Finance Division. In August 1992 he was given responsibility for reorganising local government in Wales and subsequently became Head of the Welsh Office's Local Government Group. He was appointed Director of Economic Affairs in 1997, with responsibility for establishing the National Assembly for Wales.

He became Permanent Secretary of the Welsh Office in March 1999 and of the National Assembly on its creation in May 1999. In May 2007 he became Permanent Secretary of the Welsh Assembly Government. He retired in May 2008, but returned to Whitehall briefly as interim permanent secretary of DIUS (and subsequently BIS) in the summer of 2009.

He is now Chair of Community Service Volunteers, a member of the UK Statistics Authority, Chair of the Audit Committee of the Parliamentary and Health Service Ombudsman, Chair of the Audit Panel of Cardiff County Council, and a Council member of Cardiff University.

He is married to Diana, with a daughter and a son and was knighted in 2002.



Dr Nick Cooling

Dr Nick Cooling is a Consultant General Psychiatrist with a specialist interest in medico-legal psychiatry. He is an expert in major disasters and personal injury and has given expert evidence in the Omagh Bomb Case, the Bradford Fire Disaster, the Sowerby Bridge Disaster, the Hillsborough Disaster, the Childers Backpacker's Hostel Fire in Australia, the Paddington Rail Disaster and many other traumatic and terrorist events. He conducts assessments all over the United Kingdom, particularly in Wales, the South West, London and Greater Manchester and he works as an independent psychiatrist throughout the United Kingdom and abroad, including the United States and Australia.





His undergraduate medical training was at Guy's Hospital and he subsequently trained as a Senior Registrar in Psychiatry at Cambridge and Norwich. He also trained at Northwick Park Hospital. He then took up an NHS psychiatrist post in Huddersfield and was appointed visiting general psychiatrist at HMP Wakefield.

Dr Cooling is a member of the Royal College of Psychiatrists, a Fellow of the Royal Society of Medicine and he holds a Diploma in Clinical Psychotherapy from the United Medical and Dental School. He maintains an active interest in research and publishing and has published papers and articles in various fields.

He has an extensive involvement in the Third Sector, having helped set up and run a charity for children in Romania and a treatment fund in Lithuania.

Dr Cooling was born and brought up in Zambia and has travelled all over the world, having lived in Greece, Turkey, Italy, Nigeria, New Zealand and the United States of America.

He still shares his clinical practice with his mother, Dr Rosalind Cooling, who is still practicing at the age of 87. Rosalind's father was born and brought up in Penarth and the family have extensive family ties in South Wales. Dr Cooling's family have a services background; Rosalind's father was a pilot in the First World War and flew King Albert of

	<p>the Belgians over the trenches. Her brother, John, was a decorated pilot in the Second World War and Nick's brother, Robert, is a Vice Admiral in the Royal Navy.</p> <p>Nowadays the Cooling family live in Devon and they have a farming and forestry business near Tiverton as well as a thriving medical practice in Teignmouth. None of the Coolings are yet retired and plans remain at an early stage.</p>
 <p>Jayne Cowan</p>	<p>Jayne Cowan was first elected to serve the residents of Rhiwbina in 1999, and was re-elected in 2004 and in 2008. She presently sits on the Council Appeals Committee for Cardiff County Council and Cardiff Audit Panel.</p> <p>Jayne is Chair of Governors at Greenhill Special School in Rhiwbina, and is a Local Education Authority Governor at Rhiwbeina Primary School.</p> <p>Outside of politics, Jayne is an Ambassador for Girl Guiding and is delighted to be a patron of the Chrysanthemum and Dahlia Society in Cardiff. She is presently studying for a Masters in Education.</p> <p>Also serves on the following Outside Bodies: WLGA</p>
 <p>Timothy Davies</p>	<p>Timothy Davies serves on the Whitchurch & Tongwynlais Electoral Division, and was elected on 10 June 2004 for the first time.</p> <p>Serving on the following Committees: Employment Conditions Committee; Economic and Culture Scrutiny Committee, Standards and Ethics Committee and the Cardiff Audit Panel.</p> <p>Also serves on the following outside bodies: Amersham Local Liaison Committee, Cardiff and Vale of Glamorgan Pension Fund, South Wales Police Authority</p>
 <p>Bill Kelloway</p>	<p>Bill Kelloway serves the Penylan Electoral Division, was first elected on 06 May 1999 and again on 10 June 2004 and in 2008. Bill serves on the following Committees: Licensing Committee; Children and Young people Committee; Cardiff Audit Panel and Constitution Committee.</p> <p>Also serves on the following Outside Bodies: Environment Agency; Caldicot and Wentloog Levels Drainage Board, Severn Estuary Partnership (SEP), St Peters RFC Monitoring Group, Wales Home Safety Council.</p>
<p>Sir Richard Lloyd Jones</p>	<p>Richard Lloyd Jones was born 1933. Career civil servant who retired as Permanent Secretary and Accounting Officer of the Welsh Office in 1993.</p> <p>Chairman of the Local Government Staff Commission for Wales 1994-7 and Arts Council of Wales 1994-9.</p> <p>Chairman, Age Concern Cymru 1999-2005 and Vice Chairman of Age Concern England 2005-9.</p>
 <p>Professor Maurice Pendlebury</p>	<p>Maurice Pendlebury is a qualified Accountant and until his retirement in December 2007 he was a Professor of Accounting at Cardiff Business School.</p> <p>He has wide experience of many areas of management in both the public and private sector and he was a non-executive director of the Cardiff and Vale NHS Trust from April 2007 to September 2009. He is currently a Governor of a high school in Cardiff. He was appointed as an independent member of the Audit Panel in 2010.</p>

Appendix 2

Terms of Reference Audit Panel

- To consider matters of relevance to the efficient financial administration of the Council, particularly in relation to its systems of good corporate governance, probity and financial strength
- To receive relevant reports from the Council's Section 151 Officer with regard to the above and to consider internal audit matters brought to the Panel's attention by the Section 151 Officer or the Internal Audit & Risk Manager or requested by the Panel
- To receive reports of the Council's External Auditor, in particular concerning the Regulatory Plan, the Annual Audit Letter and any statutory reports issued by the Auditor
- To agree responses to external audit reports where appropriate and to refer these (along with the report) to the Executive or relevant Scrutiny Committee or Council as appropriate and to consider any responses where relevant
- To receive a quarterly report of all completed audit reports with a synopsis of the work undertaken together with a graded assurance opinion
- To receive a quarterly summary report of school audits together with a graded assurance opinion with individual reports considered by school governing bodies
- To review the implementation of internal audit report recommendations on a regular basis as part of the Audit & Risk Manager's progress reporting cycle

- To review value for money, efficiency and effectiveness through consideration of financial performance indicators and comparative studies where relevant
- To raise the profile of probity generally within the Council and to report on matters of concern to the Executive or to Council as necessary and appropriate
- To receive reports of any significant incidents of fraud or financial impropriety and actions taken to enhance controls where this is considered necessary.
- To receive reports on fraud prevention and detection initiatives and updates to any related policies and strategies.
- To examine the annual audit plan and propose for consideration any other audit investigations
- To regularly review the Risk Register.

Terms of Reference Policy Review & Performance Scrutiny Committee

- To scrutinise, monitor and review the overall operation of the Cardiff Programme for Improvement and the effectiveness of the general implementation of the Council's policies, aims and objectives.
- To scrutinise, monitor and review the effectiveness of the Council's systems of financial control and administration and use of human resources.
- To report to an appropriate Executive or Council meeting on its findings and to make recommendations on measures which may enhance Council performance in this area?