

AUDIT COMMITTEE: 14 March 2017

SCRUTINY CORRESPONDENCE

REPORT OF CORPORATE DIRECTOR RESOURCES

AGENDA ITEM: 10.1

Reason for this Report

1. This report has been prepared in order to show how Scrutiny Correspondence is used to inform the work of Internal audit and Audit Committee going forward.

Background

2. Audit Committee received a report on 24 January 2017 which outlined the work being performed by the five scrutiny committees through a review of correspondence from the scrutiny chairs. The purpose of the report was to consider and determine whether any items contained in the correspondence merited to be considered further by the Audit Committee. In addition, any correspondence between the Chair of Audit Committee and Scrutiny Chairs would be captured.
3. Amidst concerns of the purpose of the item and the risk of duplication, the Audit Committee at the January meeting resolved that the Deputy Chairperson in consultation with the Corporate Director and the Head of Finance, agree a refreshed format for the Scrutiny Correspondence to be presented at this Committee meeting. The Audit Committee's Terms of Reference includes the need to work in synergy with the five Scrutiny Committees and to avoid duplication in work programmes. The meeting was held between the Deputy Chairperson and the Head of Finance in consultation with the Corporate Director.
4. Audit Committee receives a regular item on the progress of Internal Audit which sets out performance against the audit plan and outlines any changes in the plan. One of the reasons for deviating from the original plan is that business matters will arise at any time of the year which will allow internal audit to react appropriately to those changes.

Issues

5. Reviewing scrutiny minutes and correspondence, as well as Cabinet and Council, is good practice. This is already undertaken by the Internal Audit function in order to inform future planning assumptions and allocation of audit resources. Thus, it can be seen that scrutiny correspondence is already being considered and reviewed by internal audit carrying out their business.

6. The Internal audit progress update is a regular standing item on the Audit Committee Agenda. The update includes detailing the performance against the audit plan and highlighting any deviations from the plan having looked forward and reviewing the current council environment. The internal audit progress update could explicitly explain how the work of internal audit develops over the year through scanning the business matters of the Council, including but not restricted to, Scrutiny.
7. It is therefore proposed that Audit Committee request that the Head of Finance ensures that the audit progress update includes a section highlighting any relevant items arising from scrutiny and how they will be captured in future audit work.
8. In the event of any correspondence between the Chair of Audit Committee and Scrutiny Chairs, these will be presented as a standing agenda item.

Reason for Recommendations

9. To consider the method of reviewing scrutiny correspondence and matters in order to inform Audit Committee meetings.

Legal Implications

10. There are no financial implications arising from this report.

Financial Implications

11. There are no legal implications arising from this report.

Recommendations

12. To approve that the Internal Audit Progress update captures the work done in reviewing scrutiny correspondence, and that it is reported in that standing item going forward.
13. To approve the need for a standing item on Scrutiny Correspondence between Chair of Audit Committee and Scrutiny Chairs.

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