

Voluntary and Additional Improvement Work

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Audit Committee development workshop

Stevenage Borough Council

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Introduction and Background

- 1 In response to an identified improvement opportunity from our use of resources evaluation at Stevenage Borough Council (the Council), an Audit Committee has been established during the 2005/06 financial year with the objective of enhancing the effectiveness of internal control.
- 2 As the Council have recently constituted an Audit Committee and one meeting has been held in May 2006, we have discussed with officers the proposal of providing a workshop to members of the Committee.

Scope and objectives

- 3 The workshop aims to help members of the Audit Committee to develop a clear understanding of the role, approach and style of the Audit Committee. In particular:
 - A sound appreciation of the key role and contribution of the Audit Committee to the Council's overall governance framework;
 - Awareness of Council's statutory responsibilities, guidance and standards which underpin the establishment of the Audit Committee;
 - A clear understanding of role and responsibilities of the Audit Committee;
 - Support in annual planning of agendas to deliver responsibilities; and
 - Consideration of status, independence, approach and behaviours for Audit Committee members.

Desired outcomes

- 4 The planned outcomes of the workshop are:
 - Audit Committee members are confident in delivering role within Council; and
 - An effective Audit Committee, meeting responsibilities and supporting delivery of Council activities in a constructive way.

Timescale

- 5 The workshop will run for half a day, timing to be agreed with the Council. This will be considered at the next Council Audit Committee planned for 27 September 2006.

Audit Commission personnel and key contacts

- 6 Audit Commission staff involved in the work will be:

Debbie Hanson	District Auditor and Relationship Manager
Neil Harris	Audit Manager

The contacts from the Council will be:

Scott Crudginton	Assistant Chief Executive (Finance)
John Dickson	Interim Head of Finance

Project fee

- 7 The fee for the workshop will be £2500 plus VAT, payable on completion of the event. The Council will provide appropriate accommodation, equipment and refreshments for the workshop.

Approach

- 8 The workshop will be aimed at all members of the Audit Committee. In addition, others who regularly attend the Audit Committee will be invited, including the Assistant Chief Executive (Finance), Internal Head of Finance and Head of Internal Audit.
- 9 The style of the workshop will be a mix of theory and practical. It will be participative – a mix of short presentations supported by group discussion, exercises and consideration of case studies.
- 10 The scope of the workshop will cover :

Coverage	Approach
Why have an audit committee? Statutory requirements, regulations CIPFA Guidance CPA and use of resources	Short presentation.
Structure and position in Council	Short presentation and discussion.
What can the Audit Committee contribute to the Council and its citizens	Group discussions on outputs with feedback, flip charted, followed by summary session
Features of good and weak Audit Committees	Presentation and delegate discussion.

Coverage	Approach
Case studies on specific 'hypothetical' issues for the workshop to consider: <ul style="list-style-type: none"> • problems on IA delivery • failure of internal control 	Group exercises on the issues and what action should the Committee take, followed by feedback and discussion.
Planning the annual programme	Discussion and development of outline Audit Committee programme.
Audit Committee tasks: <ul style="list-style-type: none"> • Audit Committee role in review of accounts • Statement on Internal Control 	Short presentation Delegate consideration of case studies/issues

- 11 There will be two presenters delivering the workshop. An outline programme is provided at Annex 1.

Other information

- 12 It should be noted by the Council that the project specification is:
- For services provided under section 35 of the Audit Commission Act 1998 which contains a requirement on audited bodies to consult with employee organisations prior to requesting the Audit Commission to do this study work
 - Subject to our standards terms of engagement and the formal Letter of Engagement which sets out a clear set of terms and conditions applying to the work to formalise the contract
 - Subject to formal agreement and signing of the Letter of Engagement.
- 13 It should also be noted that:
- Before work is commenced the Letter of Engagement must be signed by all parties
 - Variations to alter the terms or specification of the contract must be agreed in writing and in considering proposed variations both parties must consider the consequential effects on the project fee and timescale
 - If there are any changes mutually agreed to the work specification or the terms and conditions during the carrying out of the work these must be recorded in writing and placed by both parties with the signed Letter of Engagement
 - Under this agreement the audited body has the normal rights of complaint in line with current notification

ANNEX 1 - Audit Committee Workshop outline programme	
Time	9.30 to 12.30

Programme	
9.30	<p>Welcome and introductions Introductions Aims, objectives and approach of workshop</p>
	<p>Role of the Audit Committee Statutory requirements, guidance The Audit committee's position within the Council What the Audit Committee can contribute to the Council</p>
	<p>Characteristics of good and bad Audit Committees</p>
10.45	<p>Tea/ coffee</p>
11.00	<p>The Audit committee in action (Part 1) Case studies/practical examples</p>
	<p>Planning the Audit Committee's work Issues and actions over the year Effective planning</p>
	<p>The Audit Committee in action (Part 2) Reviewing annual accounts - the Audit Committee's role effective review of the Statement on Internal Control (SIC)</p>
	<p>Closing comments</p>
12.30	<p>Workshop close</p>