

# WIRRAL COUNCIL

## AUDIT AND RISK MANAGEMENT COMMITTEE

19 MARCH 2012

<b>SUBJECT:</b>	<b>SELF ASSESSMENT</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>CHIEF INTERNAL AUDITOR</b>
<b>KEY DECISION ?</b>	<b>NO</b>

### 1.0 EXECUTIVE SUMMARY

- 1.1 To comply with best professional practice the Audit and Risk Management Committee is required to complete an annual evaluation of its role and effectiveness as part of the systems of internal audit.
- 1.2 The CIPFA publication 'A Toolkit for Local Authority Audit Committees' recommends the use of a self assessment checklist to achieve this task. The Chair has completed the checklist which is attached at Appendix 1.
- 1.3 Attached at Appendix 2 is a draft Action Plan developed following the exercise and identifying recommendations to improve the existing arrangements and address any risks. Implementation will be monitored by Internal Audit and an update report on this provided to a future meeting of this Committee.

### 2.0 RECOMMENDATION

- 2.1. That the self assessment checklist draft action plan be considered and approved.

### 3.0 REASON FOR RECOMMENDATION

- 3.1 To comply with best practice identified in the CIPFA publication 'A Toolkit for Local Authority Audit Committees'.

### 4.0 BACKGROUND AND KEY ISSUES

- 4.1 The Department for Communities and Local Government (DCLG) issued amended regulations in 2006, to the 2003 Accounts and Audit Regulations – 'The Accounts and Audit (Amendment) (England) Regulations 2006.
- 4.2 One of the amended regulations impacts on the process for preparing the Statement of Internal Control (SIC) which is subsumed within the Annual Governance Statement (AGS) and relates specifically to the the systems of internal audit in operation. This is:-
  - Regulations require bodies to regularly review their systems of internal audit, and for the findings to be considered by a committee of the body, or by the body as a whole.
- 4.3 Advice from CIPFA includes the assertion that the "systems of internal audit" can be considered to include the role and effectiveness of the Audit Committee.

4.4 To assist Councils in this evaluation exercise CIPFA has provided a self assessment checklist and recommends that this be completed annually.

## **5.0 RELEVANT RISKS**

5.1 Possible failure of the Audit and Risk Management Committee to comply with best professional practice and thereby not function in an efficient and effective manner.

## **6.0 OTHER OPTIONS CONSIDERED**

6.1 No other options considered.

## **7.0 CONSULTATION**

7.1 The Chair of this Committee has comprehensively involved throughout the process to complete the annual assessment and his views on behalf of the ARMC Members are reflected in the document attached at Appendix 1.

## **8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

8.1 There are none arising from this report.

## **9.0 EQUALITIES IMPLICATIONS**

9.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(a) No because there is no relevance to equality.

## **10.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

10.1 There are none arising from this report.

## **11.0 LEGAL IMPLICATIONS**

11.1 There are none arising from this report.

## **12.0 EQUALITIES IMPLICATIONS**

12.1 There are none arising from this report.

## **13.0 CARBON REDUCTION IMPLICATIONS**

13.1 There are none arising from this report.

## **14.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

14.1 There are none arising from this report.

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**APPENDICES**

Audit and Risk Management Self Assessment Checklist  
Self Assessment Action Plan

**REFERENCE MATERIAL**

CIPFA Publication 'A Toolkit for Local Authority Audit Committees'

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Audit and Risk Management Committee	March 2012 (annual report)