

## **TRAINING FOR COMMITTEE MEMBERS**

### **SUMMARY**

- 1.1 This report provides proposals for training for Audit and Accounts Committee Members to ensure they are well informed to fulfil their role.

### **RECOMMENDATION**

- 2.1 To determine what training is required by the Committee and how that training should be delivered.

### **REASONS FOR RECOMMENDATION**

- 3.1 Regular training for Audit and Accounts Committee members is in line with good practice.

### **SUPPORTING INFORMATION**

- 4.1 A key requirement of an effective Audit Committee is a well informed membership who has substantial experience of the key areas to be considered by the Committee. It is essential that a range of training is provided by way of assisting members to improve their knowledge and understanding of some of the issues they will be involved with in their role as a member of the Audit Committee.
- 4.2 The objectives of training will be to ensure that the members of the Audit and Accounts Committee are able to fulfil the role required by the Terms of Reference.
- 4.3 The delivery mechanisms to be used will vary. The most effective way to achieve this is through a combination of relevant guidance material being supplied to members and appropriate briefings being circulated by the Head of Governance and Assurance. Some training may need to be delivered in a formal training environment, which may require time to be set aside outside the Committee framework. However, good practice suggests that there should also be an opportunity to build at least one training/development item into the agenda for each ordinary meeting of the Committee.

- 4.4 Appendix 2 provides a draft training and skills development programme. Members are invited to consider this programme and to suggest any further elements that they would like to see included.
- 4.5 New members of the Committee need to be provided with an understanding of the following areas:
- The Principles of Audit and the functions of the Audit Committee.
  - The Role of the External Auditor.
  - The Role and Function of Internal Audit.
  - Introduction to the Authority's Annual Accounts.
  - Introduction to the Authority's Governance framework.

The Head of Governance and Assurance has produced an induction pack for new Members and offers short briefing sessions to cover the above areas.

<b>OTHER OPTIONS CONSIDERED</b>
---------------------------------

5.1 N/A

**This report has been approved by the following officers:**

<b>Legal officer</b> <b>Financial officer</b> <b>Human Resources officer</b> <b>Service Director(s)</b> <b>Other(s)</b>	
---	--

<b>For more information contact:</b>  <b>Background papers:</b> <b>List of appendices:</b>	Richard Boneham, Head of Governance and Assurance, 01332 643280 <a href="mailto:richard.boneham@derby.gov.uk">richard.boneham@derby.gov.uk</a> None Appendix 1 – Implications Appendix 2 – Potential areas for training
---	---

**IMPLICATIONS****Financial and Value for Money**

1.1 None directly arising.

**Legal**

2.1 None directly arising.

**Personnel**

3.1 None directly arising.

**Equalities Impact**

4.1 None directly arising.

**Health and Safety**

5.1 None directly arising.

**Environmental Sustainability**

6.1 None directly arising.

**Asset Management**

7.1 None directly arising.

**Risk Management**

8.1 Good corporate governance requires independent, effective assurance about the adequacy of financial management and reporting. These functions are best delivered by an audit committee, independent from the executive and scrutiny functions. Effective audit committees raise the profile of internal control, risk management and financial reporting issues within an organisation, as well as providing a forum for the discussion of issues raised by internal and external auditors. In addition, they enhance public trust and confidence in the financial governance of an authority. In order to discharge their responsibilities, it is vital that audit and accounts committee members receive full and regular training.

## **Corporate objectives and priorities for change**

- 9.1 The functions of the Committee have been established to support delivery of corporate objectives by enhancing scrutiny of various aspects of the Council's controls and governance arrangements.

### Potential Areas for Training for Audit and Accounts Committee Members

#### Audit

- Understanding the Internal Audit process.
- The role of the Head of Internal Audit
- The effectiveness of internal audit
- The challenge role of External Audit.
- The impact of proposed changes to the provision of external audit
- Effective scrutiny of the compliance with audit recommendations.

#### Governance

- Understanding the Council's assurance framework
- The Authority's Financial and Contract Procedure Rules.
- How the Council deals with fraud and irregularities
- The council's approach to Business Continuity Management
- A guide to the management of risks
- Understanding the Council's key governance documents
- The importance of ethical governance
- Preventing procurement fraud

#### Information Governance

- Information and how it is managed
- Principles of Freedom of Information
- Data protection and preventing data security breaches

#### Audit Committee

- Audit Committee effectiveness

#### Financial Accounting

- Understanding the Statement of Accounts