



DERBY CITY COUNCIL

**AUDIT AND ACCOUNTS  
COMMITTEE  
29 SEPTEMBER 2005**

Report of the Head of Audit and  
Risk Management

# ITEM 9

## **AUDIT AND ACCOUNTS COMMITTEE – TRAINING PLAN**

### **RECOMMENDATION**

- 1.1 To approve the approach to training set out in this report.
- 1.2 To note that some training and guidance relevant to the responsibilities of the Committee has already been provided and that a formal training session will be included on the agenda for the December meeting.

### **SUPPORTING INFORMATION**

- 2.1 Best practice states that training and support should be provided to assist members of an audit committee to discharge their duties. The training needs to cover how an audit committee can gain an overview of the council's overall control environment, review the effectiveness of risk management and monitor the performance of audit.
- 2.2 Training of members is a requirement of the CPA Use of Resources. The council needs to demonstrate that it "has taken steps to ensure that the audit committee chair either has previous knowledge of, or has received appropriate training on, financial and risk management, accounting concepts and standards, and the regulatory regime" and that the "Audit committee members are provided with specific training relevant to their responsibilities".
- 2.3 It is the view of the Chair and the Head of Audit and Risk Management that all members of the Committee should receive the same level of training to enable them to fulfil their responsibilities, and that unless specific responsibilities are designated, no specialist training is appropriate.
- 2.4 Members of the Committee will need to be provided with an understanding of the following areas:
  - Corporate Governance
  - the Control Environment
  - the role of the Audit Committee
  - Risk Management
  - the role of Internal Audit
  - the role of External Audit
  - the final accounts process
  - Fraud and Irregularities.

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 Audit and Risk Management. It is intended to include a formal training session organised by the Head of Audit and Risk Management at the December meeting of the Committee. This will be based on the format that is used to train the Audit Committee at Derby Homes. An outline programme for this training session is attached as Appendix 2.

- 2.5 The Members Library on CMIS will be used to provide guidance material covering the areas identified in paragraph 2.3. All such material can be found under the section "Audit and Accounts".
- 2.6 Guidance material on risk management has already been provided on CMIS. Members will also have received a copy of the CIPFA publication "Councillors' Guide to Local Government Finance" which contains a number of chapters that provide guidance relevant to the remit of this Committee, in particular, chapters 12 (Stewardship and External Reporting), 13 (External Scrutiny) and 20 (Internal Audit).

<b>For more information contact:</b>	Richard Boneham, Head of Audit and Risk Management, 01332 255688 richard.boneham@derby.gov.uk
<b>Background papers:</b>	None
<b>List of appendices:</b>	Appendix 1 – Implications Appendix 2 - Outline programme for December training session

<b>IMPLICATIONS</b>
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**Financial**

1. None arising directly.

**Legal**

2. The Council's Constitution has been amended to reflect the formation of the Audit and Accounts Committee.

**Personnel**

3. None directly arising.

**Equalities impact**

4. None directly arising.

**Corporate objectives and priorities for change**

5. 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 corporate governance arrangements.

## **Audit and Accounts Committee – Outline Programme for December Training Session**

The following areas will be covered:

### Corporate Governance

- Fundamental principles of good governance
- CIPFA/SOLACE Framework
- Local Code of Corporate Governance

### The Control Environment

- Essential elements of an effective internal control system
- The requirements of the Accounts and Audit Regulations 2003 and the Statement of Internal Control

### Risk Management

- The elements of successful risk management
- Embedding Risk Management
- Identifying risks
- Action plans

### The role of Internal Audit

- The CIPFA Code of Practice for Internal Audit in Local Government in the UK

### The role of External Audit

- Code of audit practice