

Audit Committee 26 September 2008

Meeting of the Committee with the internal and external auditors

Executive summary and recommendations

Introduction

The Committee's standing orders provide that:

'4. (3) the Committee shall either:

- (a) hold at least one Ordinary Meeting each year with the internal and external auditors (including the National Audit Office), without management, to discuss matters relating to its remit and any issues arising from the audit; or
- (b) delegate the holding of any such meeting to the Chairman but, in that event, the Secretary shall attend the meeting and present a record of the meeting to the next Ordinary Meeting of the Committee.'

It would be timely for the Committee to meet with the internal and external auditors in the private part of the meeting at which the Committee receives the annual report and accounts, audit findings from the joint external auditors, and the annual report from the internal auditor (i.e., normally the June meeting). This would give the Committee an overview of any issues arising from external and internal audit.

In addition, the internal and external auditors, all committee members, the observer from the Finance and Resources Committee and the President would have been invited to attend the committee meeting. Members would be able to put questions to the auditors and clarify any issues which had arisen.

There would be no additional cost to the HPC under the arrangements in standing order 4(3) (a).

A meeting held under standing order 4(3) (a) would take part during the private part of the meeting. Under standing order 17, the Secretary to the Committee would be present to take minutes of the meeting.

Decision

The Committee is asked to agree the following:

- (1) that the meeting of the committee with the internal and external auditors (including the National Audit Office) under standing order 4(3) (a) should be held in the private part of the meeting at which the Committee receives the annual report and accounts, the audit findings from the external auditors and the annual report from the internal auditor (i.e. normally the June meeting); and

- (2) that, exceptionally for the 2007-8 audit, the Committee should meet with the internal and external auditors in the private part of the meeting on 26 September 2008 to discuss matters relating to its remit and any issues arising from the audit of the 2007-8 accounts.

Background information

The remit of the Committee, as defined by the standing orders, is as follows:

- ‘2. The terms of reference of the Committee are:
 - (1) to advise the Council on the appointment of internal and external auditors;
 - (2) to approve internal and external audit programmes and fees;
 - (3) to review the external auditors' management letters and any other reports and to report on these to the Council as appropriate;
 - (4) to receive reports on the internal audit work plan and to consider appropriate action arising from them;
 - (5) to review the Council's annual report and accounts and to make recommendations to the Council as appropriate ;
 - (6) to consider whether risk management processes are adequate for all risks to which the Council is exposed and to approve or, where the Committee considers that significant policy issues are involved, to recommend that the Council approve measures to eliminate or mitigate against them;
 - (7) at the request of the Council, to advise it on matters of corporate governance (but without prejudice to the Committee's power to make recommendations to the Council on corporate governance issues arising from the work of the auditors).’

Subject to the Committee's agreement of the above recommendations and agreement of the agenda, the item has been included on the agenda for the private meeting on 26 September 2008.

Resource implications

None.

Financial implications

None, if the recommendations above are agreed.

Appendices

None.

Date of paper

2 July 2008.