



2025/26 MIAA Insight

Local Authority Audit Committee Members
Roles and Responsibilities – Review of Key
Documents

June 2025

What documents do local authority audit committees regularly receive and why?

There are a number of annual and regular reports received by the Audit Committee. The table below sets out the main reports provided to the Committee, their purpose and the expectations of the Councillors in their capacity as Audit Committee members. This list is not exhaustive; Committees may also receive additional reports from other assurance sources.

This Insight provides information to support Audit Committee members in fulfilling their role. It is intended to prompt and inform discussions.

Report	Purpose	Audit Committee Role
Council Reports		
Statement of Accounts	<p>The Statement of Accounts summarises the Authority's transactions for the financial year and its position at the year-end.</p> <p>It is required by law and follows the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA), Local Authority Accounts Advisory Committee (LASAAC) Code of Practice on Local Authority Accounting in the United Kingdom (the Code), and the Service Reporting Code of Practice for Local Authorities (SeRCOP), supported by International Financial Reporting Standards (IFRS) covers various statutory requirements and other relevant information.</p>	<p>Ensure that the narrative report to the accounts help the public understand the Council's financial management of public funds.</p> <p>Consider the outcome of the external audit and the appropriateness of management responses.</p> <p>To review the annual statement of accounts. Specifically, to consider whether there are concerns arising from the financial statements or from the external audit which need to be brought to the attention of the full Council.</p> <p>Approve the final audited outturn position for the financial year and details of any amendments made to the Draft Statement of Accounts during the audit process.</p>
Annual Governance Statement (AGS) and review of the effectiveness of the	<p>In accordance with the Accounts and Audit Regulations 2015 the Council is required to prepare an annual AGS, to be published alongside the Statement of Accounts.</p>	<p>Confirm that the AGS accurately reflects the Committee's understanding of how the Council is run.</p>

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Council's Internal Controls and Code of Corporate Governance	<p>The AGS reviews the effectiveness of the system of internal control and governance arrangements and the extent of compliance with the Council's own code of governance, including how it has monitored effectiveness of its governance arrangements in the year, and on any planned changes in the coming period.</p> <p>CIPFA and Society of Local Authority Chief Executives (SOLACE) jointly issued a Framework and guidance in relation to the AGS; 'Delivering Good Governance in Local Government'.</p>	<p>Gain assurance that management have progressed the agreed actions associated with the significant issues / key risks identified in the AGS.</p> <p>Confirm the Council has strong compliance with the Code of Corporate Governance which is part of the overall internal control framework and contributes to the Council's governance arrangements.</p>
CIPFA Financial Management Code	<p>CIPFA Financial Management (FM) Code requires Local Authorities to complete a self assessment of compliance with the Code. The purpose of the report is to provide an assessment of the Council's current compliance with the code, together with areas for improvement.</p>	<p>To consider the Council responses to the Financial Code assessment and whether it is consistent with other sources of assurance.</p>
Regulation of Investigatory Powers Act (RIPA) activity	<p>Provide assurance on the use of covert surveillance and covert human intelligence sources by the council.</p>	<p>To receive and consider the use of covert activities by the Council.</p>
AGS Actions	<p>Provides an update on the progress and completion of actions identified in the AGS.</p>	<p>Gain assurance that management have progressed the agreed actions associated with the significant issues / key risks identified in the AGS.</p>

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Strategic Risks/Policy/Appetite Update	<p>The reports provides updates and an overview on the Council's Strategic Risks and along with the controls, assurances and actions plans to manage the risks.</p> <p>Management of strategic risks is a key aspect of the AGS. This report provides information to confirm to the Audit Committee that they are receiving assurances on the key risk areas within the Council and how these are being managed through the internal controls and governance processes.</p>	Assurances that the management of strategic risks is robust and if not what actions are being taken to improve processes.
Audit Committee Reports		
Annual review of Audit Committee Terms of Reference	The Terms of Reference sets out the Committee duties and responsibilities, along with membership and quorum and reporting requirements. It should be reviewed annually in accordance with best practice.	To review and approve whilst ensuring the Audit Committee Terms of Reference enables the Committee to assist the Council in its oversight of the effectiveness of the Council's key controls framework.
Annual Audit Committee Self-Assessment	CIPFA published the <i>Audit Committees: Practical Guidance for Local Authorities and Police</i> which identifies the underpinning legislation, regulations, guidance or resources that the committee should be referencing in its operations, including the <i>Delivering Good Governance in Local Government Framework</i> (CIPFA/Solace 2016).	Confirm that the Audit Committee is working effectively and where any areas/actions are identified to improve its overall effectiveness, with plans to implement these.

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	The guide recommends that a regular self-assessment should be conducted , to encourage reflection on the effectiveness of the committee and identify any areas for improvement.	
Annual Review of Internal Audit Effectiveness	<p>CIPFA published the <i>Audit Committees: Practical Guidance for Local Authorities and Police</i> identifies the underpinning legislation, regulations, guidance or resources that the committee should be referencing in its operations, including the <i>Delivering Good Governance in Local Government Framework</i> (CIPFA/Solace 2016).</p> <p>The guide recommends that a regular assessment of internal audit should be conducted, to encourage reflection on its effectiveness.</p>	To gain assurance that internal audit complies with the public sector internal audit standards and is effective in doing so.
Annual Assurance Report of Audit Committee to the Council	<p>Provides assurance that the Committee has adequately discharged its terms of reference and has positively contributed to how well the Council is run.</p> <p>Provides Council with an assurance report that the Council has in place adequate and effective risk management and internal control systems that can be relied upon and which contribute to</p>	To provide a report to the Council detailing how the Committee has discharged its duties.

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	the corporate governance standards that the Council expects and has maintained.	
Internal Audit Reports		
Internal Audit Annual Report and Overall Head of Internal Audit Opinion	Public sector internal audit standards require the Head of Audit to provide an opinion on the overall adequacy and effectiveness of the organisation's framework of control, risk management and governance. This opinion is based upon the work undertaken by the internal audit service throughout the year. This assists with the completion of its AGS along with considerations of organisational performance, regulatory compliance and the wider operating environment.	Receive the Head of Audit's overall opinion on the effectiveness of the Council's internal control environment.
Internal Audit Annual Review of Internal Audit Charter	The Internal Audit Charter is mandated through the public sector internal audit standards and is a formal document that defines the internal audit activity's purpose, authority and responsibility. The internal audit charter establishes the internal audit activity's position within the organisation; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.	Receive and support the Internal Audit Annual Review of Internal Audit Charter.

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Internal Audit Risk Based Annual Plan	<p>The Internal Audit Plan contains the programme of reviews and audit work for the financial year.</p> <p>This is constructed following a risk assessment of the Local Authority considering a range of factors, such as significant changes in staffing, systems and procedures, the length of time since an area was last audited and items in the Corporate Plan and Strategic Risk Register. There is also extensive consultation within each service area.</p>	Approve and understand the level of assurances being given from audit work and their impact on the Council's governance, risk and control environment.
Internal Audit: Audit Progress Reports	<p>This report provides an update to the Committee in respect of the progress made against the internal audit plans as well as assurance on whether management has satisfactorily implemented previous internal audit recommendations and draws attention to matters relevant to members responsibilities.</p>	<p>Understand the level of assurances being given from audit work and the impact on the Council's governance, risk and control environment.</p> <p>Ensure management action is taken to improve controls / manage risks identified.</p> <p>Encourage ownership of the internal control framework by appropriate managers.</p> <p>Confirm appropriate progress is being made on the delivery of the audit plan.</p>
External Audit Reports		
External Audit: Annual Plan	<p>The report summarises the risk assessment and planned audit approach that external auditors will apply when delivering their work.</p>	<p>Confirm that the external auditor understands the Council's business, risk, challenges and opportunities it is facing.</p> <p>Review the audit approach and the scope of the plan.</p>

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External Audit: ISA 260 Year End Report	To report matters that are significant to the responsibility of those charges with oversight of the financial reporting process as required by ISA (UK), and other matters which might be highlighted during the audit work.	Consider the outcome of the report and assess whether there are concerns arising from the report which need to be brought to the attention of the full Council.
External Audit: Annual Report	Provides a summary of the findings and key issues arising from the Statutory Audit.	Seek assurance from the report on the Council's annual financial statements and value for money arrangements limited to the scope of the external audit. Ensure any issues / risks identified are being effectively managed.
External Audit: Certification Summary report	Provides a summary of external audit grant certification work.	Seek assurances that claims and returns have been managed appropriately and that there are no significant errors that would result in loss of funding.
External Audit: Audit Progress Report	This report provides an update to the Committee in respect of the progress made against the external audit plan and draws attention to matters relevant to members.	Seek assurance over progress and delivery of the external audit plan and any risks to successful production of the financial statements and audit are being managed.
Anti-Fraud Reports		
Anti-Fraud Annual Report of Counter Fraud, Bribery and Anti-Corruption Strategy and	Local Authorities have a statutory duty under section 151 of the Local Government Finance Act 1972 to make arrangements for the proper administration of their financial affairs. There is a duty to have effective controls and procedures in place to prevent, detect and	Confirm that the Council's counter fraud activity is targeted and effective. Ensure that appropriate progress is being made on the delivery of the Counter Fraud plan.

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activities; including an update on the National Fraud Initiative (NFI)	investigate fraud and error in Council Tax Support, Council Tax, Business Rates and other areas of fraud committed against the authority. This report details performance and counter fraud activity undertaken during the financial year in this specialist area of work.	Ensure that lessons have been learned – understand fraud risks facing the Council and actions being taken to reduce the risk. Provide confirmation that the Counter Fraud, Bribery and Anti-Corruption Strategy has been reviewed in line with best practice and continues to underpin the Council's commitment to prevent all forms of fraud, bribery and corruption whether it be attempted on, or from within, the Council, thus demonstrating the strategy's continuing and important role in the corporate governance and internal control framework.
Anti-Fraud Annual Plan	The Plan is produced to document the programme of work for the financial year , including responsibilities and key objectives.	Approve and confirm that the Council's counter fraud activity is targeted and effective.

Find out more: If you have any queries or feedback on this briefing, please contact: Sarah Dowbekin, Associate Director – Continuous Improvement at MIAA.
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