

Meeting:	Audit and Governance Committee
Meeting date:	31/07/2024
Report of:	Head of Internal Audit (Veritau)
Portfolio of:	Cllr Lomas Executive Member for Finance, Performance, Major Projects, Human Rights, Equality and Inclusion

Audit and Governance Committee Report: Review of Effectiveness

Subject of Report

1. Members are asked to consider the benefits of conducting a review of the Committee's effectiveness, and the options for undertaking such a review.

Policy Basis

2. The Audit and Governance Committee forms an important part of the Council's overall framework of corporate governance, risk management and control. The Committee provides independent assurance to those charged with governance that the framework remains adequate. It also oversees the Council's financial reporting and the preparation of the annual governance statement. As such it contributes to the effective management of the Council's functions and services, and helps to ensure the Council is accountable to its residents, communities and stakeholders.

Recommendation and Reasons

3. The Audit and Governance Committee is asked to:
 - consider whether to arrange a review of its own effectiveness and, if so, the method and timing of such review.

Reason

To ensure the committee continues to fulfil its responsibilities as set out in the Constitution and contributes to the effective operation of the Council's corporate governance framework.

Background

Overview

4. The latest guidance on audit committees in local government, published by the Chartered Institute of Public Finance and Accountancy (CIPFA) in October 2022, recommends that audit committees should complete a periodic self-assessment of their effectiveness. Alternatively, an independent review can be undertaken. The guidance includes a checklist to support the self-assessment, enabling the Committee to highlight the areas where it has made an impact on the Council's governance, risk management, control and audit arrangements. The outcomes of this exercise will help to support the preparation of the audit committee's future work programme, training plans and the annual report. The exercise may also identify areas requiring changes or improvements in the Committee's method of working or in how it communicates its activities to the Council's leadership and wider public.
5. Members views are sought on whether a review of the audit committee's effectiveness should be completed, and if so, when such an exercise would best be undertaken. If there is support for a review, Members views are also sought on the method for undertaking the review. The options are summarised as follows:

Self-Assessment (whole committee)

Benefits

All Members will have the opportunity to contribute to the review

Members have a good understanding of the Council, its priorities and existing governance arrangements

Disadvantages

May lack external perspective / relevant knowledge of audit committee best practice in local government

Self-assessment (Member working group)

Benefits

More focussed and potentially less time consuming

Members have a good understanding of the Council, its priorities and existing governance arrangements

Disadvantages

May lack external perspective / relevant knowledge of audit committee best practice in local government

External review

Benefits

Will be seen as independent and objective

Offers an opportunity to learn from best practice in other local authorities and/or wider public sector

Disadvantages

There will be a cost (and budget implications)

Only limited options may be available to access relevant expertise

May not fully understand or reflect 'local' priorities or ways of working

6. If Members choose to undertake a self-assessment exercise it is recommended that the review should be facilitated by officers.

Consultation Analysis

7. Not relevant for the purposes of this report.

Risks and Mitigations

8. The Audit and Governance Committee will fail to comply with recommended best practice if it does not periodically undertake a review of its own effectiveness.

Contact details

For further information please contact the author of this Report.

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Background papers

None

Annexes

None