

## **Review of Audit and Governance Committee Effectiveness**

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### **Summary**

- 1 This report considers the options for undertaking a review of the Audit and Governance Committee's effectiveness.

### **Background**

- 2 The Audit and Governance Committee forms an integral part of the council's overall governance framework and is an important source of assurance in respect of the council's arrangements for managing risk, maintaining an effective control environment, and reporting on financial performance. Guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) recommends that audit committees should periodically undertake a review of their own effectiveness to ensure that they are continuing to properly fulfil their responsibilities. The guidance includes a self-assessment checklist.
- 3 The last full review of the Committee's effectiveness was conducted in 2012. The review resulted in a number of changes being made to the Committee's Terms of Reference and operating arrangements. Whilst there have been no significant changes in the scope of the Committee's work since then the membership of the Committee has changed so a further review might now be considered appropriate.

### **Options**

- 4 Assuming there is agreement to proceed with a review then several options exist for how it might be undertaken and for its timing, including:

- a) members of the Committee working collectively to undertake the review (with support from officers)
  - b) the chair and vice-chair leading the review (with support from officers)
  - c) the establishment of a small working group, comprising two or three members, to undertake the review (with support from officers)
  - d) an external body or person being invited to undertake the review (for example an audit committee chair from a neighbouring authority could undertake a peer review or a suitable organisation or expert could be commissioned to undertake the review). There would be possible budget and procurement implications if the latter was chosen as the preferred option.
- 5 Whichever option is chosen, the review would require the collection of evidence from relevant stakeholders and a comparison of current practice against the CIPFA guidance.
- 6 Members' views are therefore sought about the preferred approach to take and the possible timescales for completing the review. Postponing the review for a further period of time would also be an option.

### **Consultation**

- 7 Not relevant for the purpose of the report.

### **Options**

- 8 See above.

### **Analysis**

- 9 Not relevant for the purpose of the report.

### **Council Plan**

- 10 The Audit and Governance Committee forms an important component of the council's corporate governance framework. As such it supports the overall aims and priorities of the council by promoting probity, integrity and accountability and by helping to make the council a more effective organisation.

## **Implications**

11 There are no implications to this report in relation to:

- **Finance** (unless an external assessment was commissioned – see paragraph 4(d) above)
- **Human Resources (HR)**
- **Equalities**
- **Legal**
- **Crime and Disorder**
- **Information Technology (IT)**
- **Property**

## **Risk Management Assessment**

12 The council may fail to comply with the Accounts and Audit Regulations 2015 if it does not undertake a proper review of the effectiveness of the system of internal control, including a periodic review of the Audit and Governance Committee's effectiveness.

## **Recommendation**

13 Members are asked to consider whether to proceed with a review of the Committee's effectiveness, and if so, to agree the form, scope and timetable for such a review.

### Reason

*To ensure that the Audit and Governance Committee remains effective.*

## Contact Details

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**Report  
Approved**

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## Specialist Implications Officers

Not applicable

**Wards Affected:** All

**For further information please contact the author of the report**

## Background Papers

None