

Audit and Governance Committee Effectiveness – Self Assessment

Summary

- 1 The purpose of this report is to present the outcomes of the review of the Committee's own effectiveness.

Background

- 2 The Audit and Governance Committee represents an important element in the council's overall system of governance and internal control. The Chartered Institute of Public Finance (CIPFA) has issued guidance to local authorities on the formation and operation of audit committees. The guidance is intended to help audit committees fulfil their role effectively. An effective audit committee will help to raise the profile of internal control, risk management, value for money, efficiency and financial reporting issues as well as providing a forum to discuss issues raised by internal and external auditors.
- 3 CIPFA has recommended that audit committees in local government should periodically review their own effectiveness. At the meeting of this Committee on 2 April 2012, members agreed the approach to be taken in carrying out such a review.

Process Followed

- 4 The Committee agreed to establish a task group to undertake the review, comprising Cllr Jeffries, Cllr Brookes, Cllr Barnes and Cllr Cuthbertson. Cllr Jeffries was subsequently replaced on the task group by Cllr Cunningham-Cross.

- 5 All members of the Committee were asked to complete a self assessment questionnaire. The questionnaire asked each Member to assess how effective the Committee was in terms of discharging its role and responsibilities. This included consideration of the Committee's knowledge of each subject area and the extent to which the Committee demonstrated a leadership role in terms of corporate governance. Completed questionnaires were received from all Members of the Committee. A summary of the results was reported to the task group.
- 6 The task group met on two occasions. As well as considering the results of the questionnaire, the task group completed a self-assessment checklist based on the CIPFA guidance for audit committees.

Findings

- 7 The task group found that the Committee fulfilled its responsibilities and complied with best practice in many areas. Specific features included:
 - the existence of agreed terms of reference
 - a chair who was independent of the council's executive function
 - a programme of scheduled and regular meetings
 - regular attendance by members and relevant officers at all meetings
 - ongoing oversight of the council's corporate governance arrangements
 - review of the council's statement of accounts and the Annual Governance Statement
 - consideration of regular reports detailing the council's management of risks and the results of audit work
 - consideration of the external auditor's programme of work and the receipt of regular monitoring reports
 - consideration and approval of the annual internal audit plan

- oversight of the council's treasury management function and the arrangements to manage fraud and corruption risks.
- 8 However, the task group also identified a number of areas where the Committee's effectiveness could be improved or other changes made to support the functioning of the Committee. Details of the issues are set out in annex 1. Where appropriate, recommendations have been made to address each issue.

Council Plan

- 9 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 honesty and by helping to make the council a more effective organisation.

Implications

- 10 There are no implications to this report in relation to:

- **Finance**
- **Human Resources (HR)**
- **Equalities**
- **Legal**
- **Crime and Disorder**
- **Information Technology (IT)**
- **Property**

Risk Management Assessment

- 11 The Committee may fail to fully and properly discharge its responsibilities if it fails to function effectively.

Recommendations

- 12 Members are asked to;
- consider the findings and recommendations of the effectiveness task group.

Reason

To ensure that the Audit and Governance Committee remains effective.

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**Report
Approved**



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Specialist Implications Officers

Not applicable

Wards Affected: Not applicable

All



For further information please contact the author of the report

Background Papers

None

Annexes

Annex 1 – Findings and recommendations from the A&G
Committee Task Group