

ANNUAL SELF-ASSESSMENT REVIEW OF THE EFFECTIVENESS OF THE AUDIT COMMITTEE 2013/14

Audit Committee – 10 June 2014

Report of the: Chief Finance Officer

Status: For Consideration

Key Decision: No

This report supports the Key Aim of Effective Management of Council Resources

Portfolio Holder Cllr. Ramsay

Contact Officer(s) Bami Cole, Ext. 7236

Recommendation to Audit Committee: That Members approve the Annual Self-assessment Review of the Effectiveness of the Audit Committee 2013/14.

Introduction and Background

- 1 It is considered good governance practice to have a process for evaluating a committee's performance. Members of this committee have accepted the underlying principals requiring the Audit Committee to measure the robustness of its own performance, not least, because of its oversight role for Internal Audit, Risk Management, Governance and Internal Control. Current governance arrangements for Local Councils issued by CIPFA in compliance with the Accounts and Regulations 2011 require that the Audit Committee be assessed annually, in order to determine its effectiveness and identify areas for further development.
- 2 This report puts forward proposals for assessing the achievements for the Audit Committee for the year 2013/14, its first full year of operation. The reasons for measuring the Committee's achievements and details of how this can be done are highlighted below.

Details of the Process

- 3 The process incorporates the recommended self-assessment checklist taken from the CIPFA guide "Audit Committees – Practical Guidance for Local Authorities" (Dec 2005).
- 4 The self-assessment checklist (attached as an Appendix to this report) has been amended where necessary to reflect local needs or customs. To facilitate and expedite the process, the checklist has been completed as far as possible drawing from the work of the Committee in relation to its terms of reference using the evidence available from the work of the Committee during 2013/14. The checklist incorporates the following eight key issues that the Committee is required to measure its achievements against.

- **Terms of Reference** – Does it comply with best practice?
- **Internal Audit Process** – Is there sufficient oversight by the Committee?
- **External Audit Process** – Is there sufficient involvement?
- **Membership** – Does it comply with good practice requirements?
- **Meetings** – Frequency and robustness
- **Training** – Is it fit for purpose?
- **Administration** – Is the Committee supported by relevant officers?
- **Compliance** – With Public Sector Internal Audit Standards (PSIAS)

5 In addition to the above, a separate questionnaire is sent to each member of the Committee in order to obtain their personal views on the workings of the Committee and their own personal contribution to the work of the Committee. The result of this questionnaire will also be used to improve relevant aspects of the working of the Committee where appropriate.

Next Steps

- 6 The Committee is requested to go through the checklist as a group during the meeting and consider the details highlighted and make any additional comments or changes it deems necessary.
- 7 On completion of the checklist, areas for further development could be transferred into an action plan identifying the key areas for further development and relevant timescales. The action plan would then be taken to Council for agreement.

Key Implications

Financial

This report has no financial implications.

Legal Implications and Risk Assessment Statement

This report has no additional legal implications.

Value for Money and Asset Management

An effective Audit Committee will contribute towards the overall management of the Council and would help mitigate against poor value for money in service provision.

Equality Impacts

Consideration of impacts under the Public Sector Equality Duty:		
Question	Answer	Explanation / Evidence
a. Does the decision being made or recommended through this paper have potential to disadvantage or discriminate against different groups in the community?	No	
b. Does the decision being made or recommended through this paper have the potential to promote equality of opportunity?	No	
c. What steps can be taken to mitigate, reduce, avoid or minimise the impacts identified above?		N/A

Conclusions

The outcome of the review indicates that the Audit Committee substantially meets the requirements of existing CIPFA code and therefore is making a valuable contribution towards effective governance and the management of business risk within the Council.

Appendices

Appendix A – Self-Assessment Checklist

Background Papers:

CIPFA guide “Audit Committees – Practical Guidance for Local Authorities” (Dec 2005)
<http://moderngovwebpublic.bromsgrove.gov.uk/documents/s956/Appendix%20A%20CIPFA%20Audit%20Committee%20Guide.pdf>

[The Accounts and Audit \(England\) Regulations 2011](#)

[Public Sector Internal Audit Standards.](#)

Adrian Rowbotham
Chief Finance Officer