

## REVIEW OF THE EFFECTIVENESS OF THE AUDIT COMMITTEE 2017/18

**Audit Committee - 19 July 2018**

Report of the: Chief Finance Officer

Status: For Consideration

Key Decision: No

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**This report supports the Key Aim of Effective Delivery of the Corporate Plan**

**Portfolio Holder** Cllr. John Scholey

**Contact Officer** Adrian Rowbotham, Ext. 7153

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**Recommendation to Audit Committee:** That Members approve the Annual Self-Assessment Review of the Effectiveness of the Audit Committee 2017/18.

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**Reason for Recommendation:** An effective Audit Committee contributes to robust governance and overall effectiveness of the Council. The self-assessment indicates that the Committee has conducted itself in compliance with good practice and therefore effective in delivering its terms of reference remit.

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### 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 2015 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 2017/18. The reasons for measuring the Committee's achievements and details of how this can be done are set out 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"

- 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 2017/18. 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)

#### **Questionnaire for Members of the Audit Committee**

- 5 In addition to the above, a separate questionnaire has been sent to each member of the Committee in order to obtain their individual views on the workings of the Committee and their own personal contribution to the work of the Committee. The responses to the questionnaire will be used to improve relevant aspects of the workings of the Committee where appropriate. The responses to the questionnaire can be found in Appendix B.

#### **Next Steps**

- 6 The Committee is requested to go through the checklist as a group during the meeting and consider the details set out in it 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.

## Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

## Value for Money and Asset Management

An effective Audit Committee will contribute towards the overall management of the Council and would help to improve good value for money in service provision.

## **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, good internal controls and the management of business risk within the Council.

## **Appendices**

Appendix A - Self-Assessment Checklist

Appendix B - Results of questionnaire response from Members

## **Background Papers:**

[CIPFA guide “Audit Committees - Practical Guidance for Local Authorities” \(2013 Edition\)](#)

[The Accounts and Audit \(England\) Regulations 2015](#)

[Public Sector Internal Audit Standards.](#)

**Adrian Rowbotham**  
**Chief Finance Officer**