

## **Audit and Governance Committee**

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<b>Date of Meeting:</b>	9 March 2023
<b>Report Title:</b>	Update Report – CIPFA Review of Audit and Governance Committee
<b>Report of:</b>	David Brown, Director of Governance and Compliance
<b>Report Reference No:</b>	AG/07/22-23
<b>Ward(s) Affected:</b>	All Wards

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### **1. Purpose of Report**

- 1.1. In July 2022, following the publication of an updated position statement for Audit Committees from CIPFA (Appendix 1), the Audit and Governance Committee endorsed a review of the Audit and Governance Committee to be undertaken by CIPFA, against their updated guidance “Audit committees: practical guidance for local authorities and police.”
- 1.2. This report provides an update for the Audit and Governance Committee on the progress of this review, and the proposed next steps.

### **2. Executive Summary**

- 2.1. CIPFA’s consultant, Elizabeth Humphrey, has now completed her review, which included meetings with members of the Committee and officers who regularly attend the Committee, as well as observing recent meetings and reviewing documentation relating to the Committee, the terms of reference, agenda packs and minutes.
- 2.2. The report is in the process of being finalised, and the Committee are asked to nominate Committee members to attend a workshop where the report will be presented by Elizabeth, with members and officers then working through the findings to agree a set of actions to be proposed to the Committee.

### **3. Recommendations**

- 3.1. That the Committee nominate 5 members on the proportionality basis of 2:2:1 to attend a workshop to receive the report findings and to propose actions back to the Committee.

### **4. Reasons for Recommendations**

- 4.1. The Committee's current Terms of Reference were informed by the 2018 CIPFA guidance, which has subsequently been updated. The composition and Terms of Reference were updated as the Council moved to the Committee systems of governance, with the Audit and Governance Committee recommending changes in March 2021.
- 4.2. The independent assessment of the Committee carried out by CIPFA will usefully inform further changes to the Committee, including training and officer engagement, to support the Committee into the next electoral cycle.
- 4.3. The member workshop will consider the final report and will be able to make suggestions on improvements to take forward to the next Committee.

### **5. Other Options Considered**

- 5.1. Self-assessment against the guidance could have been carried out, but this would have required significantly more internal resource, and would have meant that the organisation didn't benefit from the independence, expertise and access to other examples that CIPFA offered.
- 5.2. Failing to undertake an assessment of the Committee's arrangements, and to consider the updated CIPFA guidance for the Council's committee would have effectively undermined the effectiveness of the Committee.

### **6. Background**

- 6.1. In July 2022, following the publication of an updated position statement for Audit Committees from CIPFA (Appendix 1), the Audit and Governance Committee endorsed a review of the Audit and Governance Committee to be undertaken by CIPFA, against their updated guidance "Audit committees: practical guidance for local authorities and police."
- 6.2. CIPFA's consultant, Elizabeth Humphrey, met with members of the Committee and officers who regularly support the committee during January 2023, and was also provided with documentation such as the Committee work programmes and agenda packs.
- 6.3. The report is now being finalised, and the Committee are asked to nominate Committee members to attend a workshop (provisional date 17<sup>th</sup> April). This will be a face to face workshop, taking place over an afternoon, supported by officers, where the report will be presented by Elizabeth, with members and officers then working through the findings to agree a set of actions to be proposed to the Committee.

- 6.4. To have a politically proportionate attendance at the workshop, a total of 5 members is suggested; (2:2:1).

## **7. Consultation and Engagement**

- 7.1. Members of the Committee and officers who regularly support the Committee met with the consultant in individual meetings to inform the review.

## **8. Implications**

### **8.1. Legal**

- 8.1.1. The position statement, Appendix 1, represents CIPFA's view on the audit committee practice and principles that local government bodies in the UK should adopt.
- 8.1.2. The review of the Council's Audit and Governance Committee has been carried out against the position statement, and the detailed supporting guidance.
- 8.1.3. Any suggestions for changes to the composition and purpose of the Committee would need to be proposed back to the the Audit and Governance Committee.

### **8.2. Finance**

- 8.2.1. There are no changes to the Council's medium term financial strategy arising from this report.

### **8.3. Policy**

- 8.3.1. The review of the Council's Audit and Governance Committee has been carried out against the position statement, and the detailed supporting guidance; any changes arising from the review will seek to ensure the Committee adopts and acts in accordance with best practice guidance.

### **8.4. Equality**

- 8.4.1. There are no equality implications arising from this report.

### **8.5. Human Resources**

- 8.5.1. There are no human resources implications arising from this report.

### **8.6. Risk Management**

- 8.6.1. Any changes arising from the review should manage the risk that the Council's Audit and Governance Committee is ineffective.

### **8.7. Rural Communities**

- 8.7.1. There are no rural communities implications arising from this report.

**8.8. Children and Young People/Cared for Children**

8.8.1. There are no Children and Young People/Cared for Children implications arising from this report.

**8.9. Public Health**

8.9.1. There are no public health implications arising from this report.

**8.10. Climate Change**

8.10.1. There are no climate change implications arising from this report.

<b>Access to Information</b>	
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Appendices:	Appendix 1 – CIPFA Position Statement
Background Papers:	Not applicable.