

CHESHIRE EAST COUNCIL

REPORT TO: Audit and Governance Committee

Date of Meeting:	1st June 2017
Report of:	Chair of the Audit and Governance Committee
Title:	Audit and Governance Committee Self-Assessment

1.0 Report Summary

- 1.1 The aim of this report is to support the Audit and Governance Committee in performing effectively and facilitate compliance with the Accounts and Audit (England) Regulations 2015. Members are, therefore, asked to consider the results of a self assessment of the effectiveness of the Audit and Governance Committee, carried out by the Chair and Vice Chair using the CIPFA publication '*Audit Committees – Practical Guidance for Local Authorities and Police (2013 Edition)*'.

2.0 Recommendations

- 2.1 That the Committee:
- consider the self-assessment (Appendix A) and determine any required amendments,
 - endorse the actions arising from the self assessment; and
 - note that a further report, updating Members on progress with these actions, will be brought to a future meeting of this Committee.

3.0 Reasons for Recommendations

- 3.1 A good standard of performance against recommended practice, together with a knowledgeable and experienced membership, are essential requirements for the Audit and Governance Committee to be effective.
- 3.2 Regular self-assessments against best practice, as outlined in the CIPFA "Audit Committees Practical Guidance for Local Authorities (2013)" can be used to support the planning of the Committee's work programme, training plans and inform the annual report.
- 3.3 The self-assessment forms part of the review of the system of internal control as required by Regulation 6 of the Accounts and Audit (England) Regulations 2015 and which supports the production of the Annual Governance Statement (AGS).

4 Wards Affected

- 4.1 All wards.

5.0 Local Wards Affected

5.1 Not applicable.

6.0 Policy Implications

6.1 Not applicable.

7.0 Financial Implications (Authorised by the Chief Operating Officer)

7.1 No specific financial implications.

8.0 Legal Implications (Authorised by the Head of Legal Services)

8.1 As detailed within the report the Council is required to abide by the Accounts and Audit (England) Regulations 2015.

9.0 Risk Assessment

9.1 It is not uncommon for audit committees to face difficulties or barriers to fulfilling their potential effectiveness. Regular self-assessment against best practice are of value in helping audit committee members or those supporting the committee to recognise and address any areas where it might improve its performance in addition to ensuring compliance with the Accounts and Audit (England) Regulations 2015.

10.0 Background

10.1 The process for conducting the review of the effectiveness of internal audit, which is based on best practice guidance, was agreed with the Audit and Governance Committee in November 2014 and includes a self-assessment using the following:

- The Checklist for Assessing Conformance with the Public Sector Internal Audit Standards and the Local Government Application Note, taken from the Local Government Application Note for the United Kingdom Public Sector Internal Audit Standards (CIPFA).
- Self-assessment of Good Practice and Evaluating the Effectiveness of the Audit Committee taken from Audit Committees - Practical Guidance for Local Authorities and Police (2013 Edition).

10.2 Table 1 and Table 2 show the outcome of the 2016/17 draft self-assessment against the Good Practice questions and the Evaluation of the Effectiveness of the Audit Committee. The detailed self-assessment is shown in Appendix A.

Table 1

2016/17 Draft Self-Assessment Results

Section 1: Good Practice Questions

Self-Assessment against Good Practice 2016/17		
Meeting recommended practice	Number	Actions Arising
Yes	13	0
Partly	7	5
No	0	0
Total	20	5

Table 2

2016/17 Draft Self-Assessment Results

Section 2: Evaluating the Effectiveness of the Audit Committee

Assessment Key: Level	Assessment Key: Criteria	Outcome of 2016/17 Draft Assessment	Actions Arising
5	Clear evidence is available from a number of sources that the committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.	1	1
4	Clear evidence from some sources that the committee is actively and effectively supporting improvement across some aspects of this area.	8	3
3	The committee has had mixed experience in supporting improvement in this area. There is some evidence that demonstrates their impact but there are also significant gaps	0	0
2	There is some evidence that the committee has supported improvements, but the impact of this support is limited.	0	0
1	No evidence can be found that the audit committee has supported improvements in this area.	0	0
Total		9	4

10.3 The results of the Audit and Governance Self-Assessment, and the outcome of the assessment of Internal Audit will be reported to this Committee for consideration as part of the AGS process. It is important

that Members are satisfied that the draft Audit and Governance Committee self-assessment, prepared by the Chairman and Vice Chairman, has been completed correctly. The Committee is therefore asked to:

- consider the draft self-assessment (Appendix A) and determine any required amendments;
- endorse the actions arising from the draft self- assessment; and
- note that a further report, updating Members on progress on these actions, will be brought to a future meeting of this Committee

11.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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