

OPEN

Audit and Governance Committee

Thursday, 7 December 2023

Audit and Governance Committee - Progress Against CIPFA Review Actions

Report of: Director of Governance and Compliance (Monitoring Officer)

Report Reference No: AG/21/23-24

Ward(s) Affected: All

Purpose of Report

- 1 This report provides the Audit and Governance Committee with progress on the implementation of actions agreed after the CIPFA review of the Audit and Governance Committee. An effective Audit and Governance Committee supports the Council's aim in the Corporate Plan 2021-2025 of ensuring transparency in all aspects of council decision making.
- 2 In both commissioning CIPFA to undertake the review, and in agreeing and implementing the actions arising from it, the organisation recognises the value of the Audit and Governance Committee, and the need for it to strive for continuous improvement to remain effective and actively add value to the organisations overall governance arrangements.

Executive Summary

- 3 Details of the progress made in implementing the actions arising from the CIPFA review, as endorsed by the Audit and Governance Committee in June 2023, are set out in Appendix 1 to this report.
- 4 Positive progress is being made against the 11 recommendations and 23 actions. This includes an appointment to the second co-opted independent Committee member role at full Council in October 2023,

the introduction of all-Committee member briefings, and pre/post meetings between the Chair and Vice Chair and lead officers for the Committee.

RECOMMENDATIONS

The Audit and Committee is recommended to:

1. Note the progress made on the implementation of actions following the CIPFA review of the Audit and Governance Committee.
2. Identify any further actions required to ensure that the Audit and Governance Committee operates as effectively as possible.

Background

- 5 In July 2022, following the publication of an updated position statement for Audit Committees from CIPFA (Appendix 3), the Audit and Governance Committee endorsed a review of the Committee to be undertaken by CIPFA, against their updated guidance “Audit committees: practical guidance for local authorities and police.”
- 6 As agreed by the Committee in March 2023, the CIPFA report was shared at a workshop in April 2023, held with the Members of the Audit and Governance Committee, and the officers who advise and support the Committee. In that workshop, a series of actions were developed in response to the report’s action plan.
- 7 The recommendations and actions were shared with the Committee in June 2023, and following endorsement of these at that meeting, Officers and Members have been working on implementing these. A detailed update on these is provided in Appendix 1.
- 8 In addition to the appointment of the second co-opted independent Committee member role at full Council in October 2023, the introduction of all-Committee member briefings, and pre/post meetings between the Chair and Vice Chair and lead officers for the Committee, briefings and training sessions have been held for Members.
- 9 One of the larger pieces of work arising from the CIPFA review, and intrinsic to a number of the agreed actions, is the review of the Committee’s Terms of Reference. The working group has met several times and progressed the review of the existing Terms of Reference

against the CIPFA model code and the outcome of CIPFA's review. The outcome of the working group's review; a revised set of Terms of Reference is proposed to the Committee elsewhere on the agenda.

- 10 Of the 23 actions set out in detail in Appendix 1, work has either completed, or is in hand on all, apart from those which will be picked up in the preparation of the 23/24 Annual Report of the Committee.
- 11 The changes in approach engendered by the CIPFA Review, training and follow up work is demonstrated by the committee's approach to a recent "No Assurance" internal audit report. This has resulted in members of the committee (Chair and Vice Chair) being engaged in meetings with Chairs of other committees, a plan to maintain an assurance oversight of progress, and ultimately to be able to give assurance of real progress.

Consultation and Engagement

- 12 Members of the 22/23 Committee participated in the CIPFA review. Members of the 23/24 Committee have been engaged with the implementation of the actions through reports to the Committee, and through the Terms of Reference working group.

Reasons for Recommendations

- 13 Adopting and implementing the actions discussed at the Member and Officer workshop demonstrates that Committee's terms of reference reflect the current good practice model, shared in the CIPFA guidance. These, along with practical changes set out in the actions, seek to improve the overall effectiveness of the Council's Audit and Governance Committee and demonstrate the Council's committee to strong governance.

Other Options Considered

- 14 Not applicable – this is an update report for the Committee.

Implications and Comments

Monitoring Officer/Legal

- 15 The position statement, Appendix 3, represents CIPFA's view on the audit committee practice and principles that local government bodies in the UK should adopt. The review of the Council's Audit and Governance Committee has been carried out against the position statement, and the detailed supporting guidance.

- 16 A detailed paper on the proposed changes to the Committee's Terms of Reference is elsewhere on the Committee's agenda for it to recommend the adoption of this to Full Council.

Section 151 Officer/Finance

- 17 There are no changes to the Council's medium term financial strategy arising from this report. Changes to working practices and the changes to the Committee's Terms of reference will be part of business as usual for the services which support the Audit and Governance Committee.

Policy

- 18 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. Ensuring the effective working of the Audit and Governance Committee supports the Council's "Open" aim in the Corporate Plan 2021-2025; ensuring there is transparency in all aspects of council decision making.

Equality, Diversity and Inclusion

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

Human Resources

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

Risk Management

- 21 The adoption of the recommendations and actions arising from the review is intended to manage the risk of the Council's Audit and Governance Committee being ineffective. In receiving update reports on progress in the implementation of the actions, the Committee will be able to reflect on whether the actions are achieving the desired outcome.

Rural Communities

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

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

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

Public Health

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

Climate Change

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

Access to Information	
Contact Officer:	Josie Griffiths, josie.griffiths@cheshireeast.gov.uk
Appendices:	Appendix 1: Committee Action Plan with Progress
Background Papers:	CIPFA Review of the Audit and Governance Committee – (Item 7, Report and Appendices, Audit and Governance Committee 8 June 2023)