

Audit & Governance Committee

Date of Meeting: 31 May 2018

Report Title: Audit and Governance Committee Self-Assessment

Senior Officer: Jan Willis, Interim Executive Director of Corporate Services

1. 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 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)*'.
- 1.2. Following completion of the self assessment, CIPFA released the updated 2018 edition of the above guidance. This will be reviewed and a report brought to a future meeting of the Committee setting out any additional actions required to ensure the Committee's continued compliance with best practice.

2. Recommendations

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

3. 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 Regulations 2015 and which supports the production of the Annual Governance Statement (AGS).

4. Other Options Considered

- 4.1. The self assessment could have been carried out at a specially convened meeting of the Committee. The Chair and Vice Chair agreed that it was more effective for them to complete the assessment and seek comments/changes from the wider Committee.

5. Background

- 5.1. 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:
 - 5.1.1. 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).
 - 5.1.2. 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).
- 5.2. Table 1 and Table 2 show the outcome of the 2017/18 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**2017/18 Draft Self-Assessment Results****Section 1: Good Practice Questions**

Self-Assessment against Good Practice 2017/18		
Meeting recommended practice	Number	Actions Arising
Yes	16	0
Partly	4	3
No	0	0
Total	20	3

Table 2**2017/18 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.	3	0
4	Clear evidence from some sources that the committee is actively and effectively supporting improvement across some aspects of this area.	6	2
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	2

- 5.3. As the results of the Audit and Governance Self-Assessment 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.
- 5.4. To assist Members in forming a view, the following changes have been made to the responses to the Good Practice Questions since the 2016/17 assessment:
- 5.4.1. Question 6 – moved from partly to yes. This was due to the Annual Report of the Committee being subject to questions at Council.
- 5.4.2. Question 15 – moved from partly to yes. This was due to the completion of a skills assessment in January 2018.
- 5.4.3. Question 18 – moved from partly to yes. This was due to the Annual Report of the Committee being subject to questions at Council.
- 5.5. This report therefore provides the opportunity for challenge and comment by the Committee and ensures that the self assessment is an accurate reflection of the effectiveness of the Committee.

6. Implications of the Recommendations

6.1. Legal Implications

- 6.1.1. There are no direct implications for legal.

6.2. Finance Implications

- 6.2.1. There may be cost implications should it be recommended that training be undertaken to address any gaps in skills or knowledge.

6.3. Policy Implications

- 6.3.1. There are no direct implications for policy.

6.4. Equality Implications

- 6.4.1. There are no direct implications for equality matters.

6.5. Human Resources Implications

- 6.5.1. There are no direct implications for Human Resources.

6.6. Risk Management Implications

- 6.6.1. There are no direct implications for risk management.

6.7. Rural Communities Implications

6.7.1. There are no direct implications for rural communities.

6.8. Implications for Children & Young People

6.8.1. There are no direct implications for children and young people.

6.9. Public Health Implications

6.9.1. There are no direct implications for public health.

7. Ward Members Affected

7.1. All wards are affected as the Audit and Governance Committee reports to Council.

8. Access to Information

8.1. The detailed self assessment document is available as Appendix A to this report.

9. Contact Information

9.1. Any questions relating to this report should be directed to the following officer:

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