

Meeting:	Audit and Governance Committee	Date:	11th March 2019
Subject:	The Review of the Effectiveness of the Audit and Governance Committee		
Report Of:	Head of Audit Risk Assurance (Chief Internal Auditor)		
Wards Affected:	Not applicable		
Key Decision:	No	Budget/Policy Framework:	No
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Appendices:	A: The Review of the Effectiveness of the Audit and Governance Committee		

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 To ascertain the Committee's views on the approach to be taken in respect of reviewing the effectiveness of the Audit and Governance Committee.

2.0 Recommendations

- 2.1 Audit and Governance Committee is asked to **RESOLVE** to:

Undertake a self-assessment against recommended practice.

3.0 Background and Key Issues

- 3.1 The Chartered Institute of Public Finance and Accountancy, CIPFA, have recently produced revised guidance on the function and operation of audit committees; "Audit Committees in Local Authorities and Police, 2018 edition". The guidance represents CIPFA's view of best practice for Audit Committees in local authorities throughout the UK and replaces the Position Statement of Audit Committees in Local Government issued in 2013.
- 3.2 Audit committees are a key component of an authority's governance framework. Their function is to provide an independent and high-level resource to support good governance and strong public financial management.
- 3.3 The purpose of an audit committee is to provide to those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance processes. By overseeing internal and external audit it makes an important contribution to ensuring that effective assurance arrangements are in place.

4.0 Asset Based Community Development (ABCD) Considerations

4.1 There are no ABCD implications as a result of the recommendation made in this report.

5.0 Alternative Options Considered

5.1 No other options have been considered

6.0 Reasons for Recommendations

6.1 The role of the Audit and Governance Committee within the Council's Constitution is to gain assurance that the Council's governance arrangements are operating effectively in line with good practice guidance. This report provides the Committee with the revised CIPFA guidance on effective audit committees. Appendix A attached includes within:-

- Appendix 1 provides the key changes to the guidance and key highlights.
- Appendix 2 provides the first draft self assessment and provides a high level review that incorporates the key principles set out in CIPFA's Position Statement.
- Appendix 3 evaluates the effectiveness of the audit committee; and
- Appendix 4 highlights the outcome of the Audit and Governance Committee's knowledge and skills assessment.

7.0 Future Work and Conclusions

7.1 The outcomes of this and future self assessments will be included in the Audit and Governance Committee's annual report to Council and the Council's Annual Governance Statement 2018/19.

8.0 Financial Implications

8.1 There are no direct financial costs arising out of this report.

(Financial Services have been consulted in the preparation this report).

9.0 Legal Implications

9.1 The revised Guidance provides the Committee with a good opportunity to assess itself against the most current best practice for Audit Committees.

(One Legal have been consulted in the preparation this report).

10.0 Risk and Opportunity Management Implications

10.1 Failure to deliver an effective Audit and Governance Committee will prevent the non-executive, advisory function supporting those charged with governance.

11.0 People Impact Assessment (PIA):

11.1 The PIA Screening Stage was completed and did not identify any potential or actual negative impact, therefore a full PIA was not required.

12.0 Other Corporate Implications

Community Safety

- 12.1 There are no 'Community Safety' implications arising out of the recommendations in this report.

Sustainability

- 12.2 There are no 'Sustainability' implications arising out of the recommendations in this report.

Staffing & Trade Union

- 12.3 There are no 'Staffing and Trade Union' implications arising out of the recommendations in this report.

Background Documents: CIPFA – Audit Committees – Practical Guidance for Local Authorities and Police 2018.

CIPFA's Position Statement – Audit Committees in Local Authorities and Police 2018