

AUDIT AND GOVERNANCE COMMITTEE – 18TH JANUARY 2023

Revised CIPFA Guidance for Audit Committees in Local Government

1. Purpose of the Report

- 1.1 To bring the latest CIPFA guidance for Audit Committees in Local Government to the Committee's attention to discuss and identify areas where the Council's arrangements need review.

2. Recommendations

2.1 It is recommended that the Committee:

- i. Considers the revised CIPFA Guidance, the initial self-assessment and agree where the Council's audit committee arrangements should be reviewed.**
- ii. Receive proposals for any changes at the next meeting.**

3. Background

- 3.1 CIPFA, the Chartered Institute of Public Finance and Accountancy, is the lead professional body for the public sector in terms of setting accounting practice, technical standards, governance guidance and publishes best practice guides covering a wide variety of public sector activity.
- 3.2 CIPFA have recently published their updated authoritative guidance on local government audit committees.
- 3.3 It is appropriate therefore to re-assess the Council's arrangements against this revised guidance to identify and consider if any changes or improvements are appropriate.
- 3.4 A copy of the guidance has been sent to all Committee members.

4. Self-Assessment

- 4.1 A self-assessment has been undertaken to identify areas for change and/or improvement.
- 4.2 The key issues arising from this self-assessment are:
- a) The Council's arrangements in utilising independent members far exceeds the expectations in the guidance.

- b) The core terms of reference of the Committee meet and indeed go beyond the model in the guidance.
 - c) Scope to review how the Committee receives information and assurances in relation to the Council's ethical framework.
 - d) Ensure the governance of partnerships and collaborations is included in the workplan of the Committee.
 - e) Scope to further improve the Committee's oversight and assurances regarding risk management in terms of major projects and key operational risks.
 - f) Scope to improve how the Committee receives the relevant reports and assurances from inspection and regulatory body activity.
 - g) Ensure there is formal provision made in the workplan for the Committee to meet privately with the Head of Internal Audit and External Audit at least annually.
 - h) Review the attendance of senior management at the Committee.
 - i) Scope to review the form and nature of assessing the Committee's own effectiveness
- 4.3 On the whole, it is clear that the Council's arrangements are significantly aligned and meet the revised guidance and, in some areas, exceed it. It should be remembered of course that this is 'guidance' rather than it being mandatory, and therefore it remains up to individual councils to determine how best and practically they meet the principles in the guidance.
- 4.4 The Committee are therefore invited to consider the guidance and discuss areas of possible improvement or change.
- 4.5 Any suggested changes that would impact on the Committee's terms of reference will be considered at the next meeting in March for referral to the Annual Full Council in May.
- 4.6 The Committee's scheduled development session in October would be utilised to further assess the arrangements against the guidance and undertake the recommended effectiveness review.

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