

REPORT TO AUDIT AND GOVERNANCE COMMITTEE

Date of Meeting: 25th June 2014

Report of: AUDIT MANAGERS

Title: MEASURING THE EFFECTIVENESS OF THE AUDIT COMMITTEE

Is this a Key Decision? No

Is this an Executive or Council Function? Council

1. What is the report about?

The Audit & Governance Committee should periodically evaluate its performance against the responsibilities set out in the terms of reference to demonstrate the Council's commitment to improving its governance.

2. Recommendations:

It is recommended that the CIPFA Self Assessment Checklist – '*Measuring the Effectiveness of the Audit Committee*' attached at Appendix A be completed by members of this committee and returned to the Audit Manager for collation of the results. The results should be reported to full Council, as well as being used by this committee for improvement.

3. Reasons for the recommendation:

To provide assurance that the Audit and Governance Committee is operating effectively.

4. What are the resource implications including non financial resources.

Member time in undertaking the self assessment and Audit Manager collating results/reporting results to next meeting.

5. Section 151 Officer comments:

There are no financial implications to the report.

6. What are the legal aspects?

7. Monitoring Officer's comments:

8. Report details:

An effective audit committee gives all stakeholders additional confidence in the Council's risk management, internal controls and compliance systems, internal audit functions and financial reports. It:

- raises greater awareness of the need for internal control and the implementation of audit recommendations
- increases public confidence in the objectivity and fairness of financial and other reporting
- reinforces the importance and independence of internal and external audit provides additional assurance through a process of independent and objective review

The first meeting of the Audit and Governance Committee took place on 26th June 2013. As this committee has now been in existence for 12 months, it would seem appropriate that time is taken to reflect on the effectiveness of the committee and to potentially identify areas for improvement.

In addition, The Audit & Governance Committee should periodically evaluate its performance against the responsibilities set out in the terms of reference to demonstrate the Council's commitment to improving its governance. This assessment can take place on an individual basis and/or collectively. The results of the evaluation should be reported to full Council as well as being used by the committee for improvement. (This issue was reported at section 2.9 of the Corporate Governance audit report dated 26th February 2014 and circulated to all members of the Audit and Governance Committee).

The terms of reference of this committee are in accordance with CIPFA's publication '*Audit Committees: Practical guidance for Local Authorities*' and this guidance also provides a self assessment checklist, '*Measuring the Effectiveness of the Audit Committee*' provided for this purpose. Please see Appendix A.

9. How does the decision contribute to the Council's Corporate Plan?

Adopting best practice in corporate governance contributes to the Council's purpose 'A Well Run Council'

10. What risks are there and how can they be reduced?

Non-compliance with Code of Corporate Governance requirements. Completion of the self assessment will reduce this risk.

11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

None.

12. Are there any other options?

None.

**Helen Kelvey/Helen Putt
Audit Managers**

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

Contact for enquires:

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