



**TO:** Audit & Governance Committee

**FROM:** Director HR, Legal & Governance  
Director of Finance & Customer Services

**DATE:** 24 July 2018

**PORTFOLIOS AFFECTED: All**

**WARDS AFFECTED: All**

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**TITLE OF BRIEFING PAPER    Audit & Governance Committee Annual Report**

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**1.        PURPOSE**

The draft Audit & Governance Committee Annual Report 2017/18 is attached for consideration and approval (see Appendix A). This summarises the work that the Committee has undertaken during the year to demonstrate that it has fulfilled its agreed terms of reference.

**2.        RECOMMENDATIONS**

The Committee is asked to:

- Consider and approve the Committee's Annual Report, including the statement on its effectiveness during 2017/18 and the draft effectiveness self-assessment evaluation; and
- Refer the report to Full Council for endorsement.

**3.        BACKGROUND**

The CIPFA 'Audit Committees: Practical Guidance for Local Authorities and Police' 2013 edition incorporates CIPFA's Position Statement on the role and function of view of an audit committee in local authorities. This notes that although no single model of committee is prescribed, all should report regularly on their work and at least annually report an assessment of their performance.

**4. RATIONALE**

The Audit & Governance Committee is a key component of the maintenance of an adequate and effective governance framework. Through its annual report the Committee can demonstrate its effectiveness in fulfilling its role to provide independent assurance regarding the adequacy of risk management, the overall governance and associated control environment, and also scrutiny of the Council's financial and non financial performance to the extent that it affects its exposure to risk and weakens the control environment.

## **5. KEY ISSUES**

Having an effective Committee brings many benefits to the Council, such as:

- increasing public confidence in the objectivity and fairness of financial and other reporting;
- providing additional assurance through a process of independent and objective scrutiny;
- raising awareness of the need for internal control and the implementation of audit recommendations; and,
- reinforcing the importance and independence of internal audit.

The Committee's activities during 2017/18 were designed to make a positive contribution to the continual improvement of control and governance arrangements across the Council, as well as performing the roles set out for the Committee in the Council's Constitution.

The Committee has had the opportunity to examine and challenge the arrangements for effective governance. The Annual Report indicates the breadth of the Committee's work in ensuring that every aspect of the Council's work should be compliant with standards and transparent to its stakeholders. The reports received by the Committee during 2017/18 indicate that there has been thorough coverage of the Committee's Terms of Reference. In this way, the Annual Report demonstrates the value of the Committee to the Council and public, ensuring that governance is on a sound footing.

Good practice guidance exists for the effective operation of audit committees across the public sector, including the most recent publication by CIPFA noted above. That guidance includes a Good Practice Self-Assessment which was considered by the Committee at its meeting on 9 January 2018. Appendix 2 of the attached report sets out the results of the self-assessment. The guidance also included a self-assessment tool for audit committees to use to evaluate their effectiveness. The results of this assessment are set out in Appendix 3 to the attached report for consideration.

## **6. POLICY IMPLICATIONS**

There are no direct policy implications arising from this report.

## **7. FINANCIAL IMPLICATIONS**

There are no direct financial implications arising from this report.

## **8. LEGAL IMPLICATIONS**

There are no direct legal implications from this report.

## **9. RESOURCE IMPLICATIONS**

The resource implications are within the report.

## **10. EQUALITY AND HEALTH IMPLICATIONS**

The decisions to be taken do not change policy and do not require any further consideration in respect of equality or health issues.

**11. CONSULTATIONS**

Chair of the Audit & Governance Committee, Deputy Chief Executive, Director of HR, Legal & Governance, Director of Finance & Customer Services.

Contact Officer:	Colin Ferguson, Head of Audit & Assurance - Ext 5326
Date:	11 July 2018
Background Papers:	CIPFA Audit Committees: Practical Guidance for Local Authorities and Police (2013 Edition). Audit Committee – Making it Most Effective (CIPFA Practical Guidance on Audit Committees – Action Plan), approved by Committee on 13 January 2015 and reviewed 9 January 2018.