

AUDIT COMMITTEE	AGENDA ITEM No. 9
16 MARCH 2015	PUBLIC REPORT

Cabinet Member(s) responsible:	Councillor Seaton, Resources Portfolio Holder	
Committee Member(s) responsible:	Councillor Lee, Chair of Audit Committee	
Contact Officer(s):	Steve Crabtree, Chief Internal Auditor	☎ 384 557

REVIEW OF EFFECTIVENESS OF THE AUDIT COMMITTEE

RECOMMENDATIONS	
FROM : John Harrison, Corporate Director: Strategic Resources	Deadline date : N/A
1. The Committee is asked to: <ul style="list-style-type: none"> a) Consider and approve the review and its conclusion that the Committee is operating effectively in all material respects. 	

1. ORIGIN OF REPORT

This report is submitted to the Audit Committee in line with its agreed Work Programme for 2014 / 2015.

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is to present the results of the review of the Committee's effectiveness, carried out using the principles established by the Chartered Institute of Public Finance and Accountancy (CIPFA). The review uses a questionnaire approach as set out in the Audit Committee Handbook.

2.2 This report is for Committee to consider under its Terms of Reference:

- 2.2.1.16 *To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.*

3. TIMESCALE

Is this a Major Policy Item / Statutory Plan?	NO	If Yes, date for relevant Cabinet Meeting	N/A
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4. BACKGROUND

4.1 In order to provide suitable assurance for the Annual Governance Statement (AGS), the Committee's work programme requires it to review its own effectiveness. Unlike the review of internal audit, this is not a statutory requirement but an element of best practice.

4.2 CIPFA published its Practical Guidance for Local Authority Audit Committees, which includes a short self-assessment checklist for councils to measure the effectiveness of their audit committees. This has been included within the Audit Committee Handbook which has previously been provided to all members. The checklist has been used and

critically appraised by the Chief Internal Auditor. Although the checklist and review have been developed and carried out in-house, it is believed that they are robust enough to withstand examination, particularly as they have had the benefit of independent appraisal via Internal Audit.

- 4.3 The resulting completed questionnaire is attached as **Appendix 1**. The review concludes that the Committee can demonstrate that overall it has been established in accordance with best practice and that it has operated effectively during the last year. The Committee should be alert to any changes in its membership and the expertise of its Members so that it can arrange suitable training. Secondly, the Committee is expected to provide challenge to the Cabinet and across the Council: some evidence of this is available for previous years but Members should consider how this could be ensured in future.

5. CONSULTATION

The effectiveness review has been circulated to Service Director Financial Services for comment.

6. ANTICIPATED OUTCOMES

Inform Audit Committee that the governance and scrutiny arrangements in place continue to operate effectively.

7. REASONS FOR RECOMMENDATIONS

In accordance with best practice, Audit Committee is expected to be informed of any material governance issues which may impact on the Annual Governance Statement.

8. ALTERNATIVE OPTIONS CONSIDERED

The Committee can challenge and alter the detail or the conclusion of the review and make suitable recommendations to bolster its effectiveness, however it is believed that the assessment is accurate and can be evidenced.

9. IMPLICATIONS

Where appropriate, the report highlights implications for areas such as Legal, Human Resources, Procurement and / or Finance.

This report does not have implications for specific wards.

BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985)

Appendix 1 Audit Committee Effectiveness Checklist