Audit and Governance Committee Effectiveness - Self-Assessment

Executive Summary

1.1 This report presents a view of compliance of the Audit and Governance Committee against recognised best practice, as well as a view on the effectiveness of the Committee, as considered appropriate by the Chair of the Committee in consultation with the Head of Internal Audit and with input from Councillor Gartside.

1.2 The self-assessment and evaluation conclude that the Audit and Governance Committee has a high degree of performance against good practice principles set out by CIPFA. Moreover, in general terms, the Committee is effective in supporting and overseeing governance throughout the Authority.

1.3 The key actions arising were as follows:
   - Opportunity exists to promote the work of the Committee to all officers via the intranet or other means which may be considered appropriate;
   - Continue to review and challenge the role of the Committee and its interaction with other Committees to enhance its overall effectiveness;
   - Given the recent updated guidance which promotes the idea of having at least one independent member on the Committee (although this is not mandatory), the Chair has suggested further formal consideration of this matter will be given by Committee members at the meeting on 17 December 2018 with reference to a separate report to be presented by the Head of Internal Audit; and
   - Membership of the Committee should be assessed against the core knowledge and skills framework set out within the guidance to determine if there are any specific training or development needs to ensure that the Committee remains effective in the future – this is now in progress.

Recommendation

2. Members give consideration to and approve the attached Self-Assessment of Compliance with Good Practice (Appendix 1) and Evaluation of Effectiveness
of the Audit and Governance Committee (Appendix 2).

### Reason for Recommendation

3. In 2018, CIPFA issued guidance entitled Audit Committees: Practical Guidance for Local Authorities and Police which draws on best practice from both local government and the wider public sector. This updates previous guidance issued in 2013. This guidance recommends that from time to time, the Committee should undertake a formal review of its effectiveness and compliance with best practice and provided checklists as a means to do this. The attachments therefore present the current view of the Committee, refreshing the previous view which was presented to Committee on 27 June 2016.

### Key Points for Consideration

4.1 The self-assessment and evaluation conclude that the Audit and Governance Committee fulfils all of its core objectives which align with best practice. Moreover, in general terms, the Committee is effective in supporting and overseeing governance throughout the Authority.

4.2 The key actions arising were as follows:
   - Opportunity exists to promote the work of the Committee to all officers via the intranet or other means which may be considered appropriate;
   - Continue to review and challenge the role of the Committee and its interaction with other Committees to enhance its overall effectiveness;
   - Given the recent updated guidance which promotes the idea of having at least one independent member on the Committee (although this is not mandatory), the Chair has suggested further formal consideration of this matter will be given by Committee members at the meeting on 17 December 2018. Whilst it is recognised that there are two independent persons who are members of the Committee, they were originally recruited as part of the previous Standards Committee in accordance with the Localism Act 2011 and not necessarily with the skill sets, role or remit associated with an audit committee member; and
   - Membership of the Committee should be assessed against the core knowledge and skills framework set out within the guidance to determine if there are any specific training or development needs to ensure that the Committee remains effective in the future. The strength of an audit committee often comes from the wide variety of knowledge, skills and experience that different members bring to the Committee and such an assessment helps to identify if there are any specific gaps.

### Alternatives Considered

4.3 As this is the primary guidance supporting the role and responsibilities of an audit committee, no alternatives are considered appropriate.
5. Not applicable.

6. The key risk arising is that the operation of the Audit and Governance committee does not align with best practice and does not therefore effectively monitor and support overall governance within the Authority. The checklist and evaluation provide a challenge against best practice standards to mitigate this risk.

7. The initial draft self-assessment and evaluation were prepared through consultation between the chair and the Head of Internal Audit, with some input from Councillor Gartside.

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<tr>
<th>Background Papers</th>
<th>Place of Inspection</th>
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<tbody>
<tr>
<td>8. CIPFA: Audit Committees: Practical Guidance for Local Authorities and Police 2018</td>
<td>Number One Riverside</td>
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