



Title	Audit and Governance Committee Annual Report
Purpose of the report	To note the report for information
Report status	Public report
Report author	Paul Harrington – Chief Auditor
Lead Councillor	Councillor Ellie Emberson, Lead Councillor for Corporate Services and Resources
Corporate priority	Our Foundations
Recommendations	N/A

1. Executive Summary

- 1.1. CIPFA guidance¹ indicates that it is best practice for the Audit and Governance Committee to produce an annual report detailing how it has complied with the 2022 CIPFA Position Statement, discharged its responsibilities, and includes an assessment of its performance. The report should be made available to the public.
- 1.2. The attached Audit and Governance Committee Annual Report (Appendix 1) sets out:
- The Committee’s remit and membership.
 - Areas covered and work of the committee during 2023/24.
 - Training undertaken by members during the year.
 - A summary of an assessment of committee effectiveness carried out by committee members and key Officers (detailed analysis is provided in Appendix 2).
 - An update on progress since the initial assessment against the CIPFA guidance was carried out.
 - Possible areas identified for improvement.
- 1.3. This is the first annual report on the Committee’s work over the last 12 months. The report has been produced by the Audit and Governance Committee, with input from committee members and key Officers, including the Chief Auditor.
- 1.4. Members of the A&G Committee and key officers were invited to complete a questionnaire reviewing the committee over the last municipal year. Some of the findings are:
- All respondents either agreed or somewhat agreed that they understood the role and purpose of the committee;

¹ Audit Committees: Practical Guidance For Local Authorities And Police (2022 edition) <https://www.cipfa.org/policy-and-guidance/publications/a/audit-committees-practical-guidance-for-local-authorities-and-police-2022-edition>

- The majority of Officers thought that the committee escalated issues and concerns promptly to those in governance and leadership, and approximately two-thirds of committee members agreed with this statement;
 - All respondents indicated that the committee had good working relations, access to, and visibility with Internal Audit and the Director of Finance, and the majority said the same of the Assistant Director of Legal and Democratic Services (Monitoring Officer). However, respondents were less sure of the committee's links to the External Auditors with 50% of committee members answering 'partially' to this question;
 - There was consensus that useful training and useful and effective support had been provided to the committee;
 - Most Member respondents did not think that they had had an evaluation of their knowledge or skills since joining the committee/in the last two years, with half detailing that they had not had an evaluation of their training needs.
 - All respondents thought that the committee engaged with a wide range of leaders and managers.
- 1.5. The Audit and Governance Committee's terms of reference have been amended to ensure they reflect best practice, as detailed in CIPFA's Position Statement and associated guidance. This included the removal of the committee's delegated authority to approve the Council's annual Statement of Accounts and that the committee would report to Council on its findings, conclusions, and recommendations on the adequacy and effectiveness of governance, risk and internal control frameworks, financial reporting arrangements, and internal and external audit functions, and on the committee's performance, and publish an annual report. Producing this report is the first stage in the process; it will also be published as a public report on the Council's website.
- 1.6. Committee members and the Committee Chair have engaged in discussion and asked relevant questions on agenda items throughout the year and have requested various relevant officers attend committee meetings to provide updates on areas of concern highlighted in recent internal audit reports.
- 1.7. Some areas for improvement have been identified and these are outlined in section 7 of Appendix 1.
- 1.8. Generally, the Audit and Governance Committee complies with the 2022 CIPFA Position Statement, although it does not have any independent members on the committee.

2. Contribution to Strategic Aims

- 2.1. An effective audit committee enables the Council to meet its statutory responsibilities concerning governance and internal control arrangements, financial management, financial reporting, and internal audit, which are fundamental to the delivery of the Council's strategic aims, vision, and Corporate Plan priorities.
- 2.2. The Council's Corporate Plan has established three themes for the years 2022/25. These themes are:
- Healthy Environment
 - Thriving Communities
 - Inclusive Economy
- 2.3. These themes are underpinned by "Our Foundations" explaining the ways we work at the Council:
- People first
 - Digital transformation

- Building self-reliance
 - Getting the best value
 - Collaborating with others
- 2.4. Full details of the Council's Corporate Plan and the projects that will deliver these priorities are published on the [Council's website](#). These priorities and the Corporate Plan demonstrate how the Council meets its legal obligation to be efficient, effective and economical.

3. Environmental and Climate Implications

- 3.1. The Council declared a Climate Emergency at its meeting on 26 February 2019 (Minute 48 refers).
- 3.2. There are no environmental or climate implications arising from the report.

4. Community Engagement

- 4.1. N/A

5. Equality Implications

- 5.1. No equalities impact implications have been identified as arising from this report.

6. Other Relevant Considerations

- 6.1 None

7. Legal Implications

- 7.1. The CIPFA Position Statement on Audit Committees in Local Authorities 2022 is guidance; however, it is noted that "CIPFA expects that all local government bodies should make their best efforts to adopt the principles, aiming for effective audit committee arrangements."

8. Financial Implications

- 8.1. Some likely indirectly as a result of the self-assessment - for example, training. In addition, remuneration might be necessary for appointed independent members.

9. Timetable for Implementation

- 9.1. Not applicable.

10. Background Papers

- 10.1. None.

Appendices

1. [Appendix 1 – Audit and Governance Committee Annual Report 2023/24](#)
2. [Appendix 2 – Audit and Governance Committee 2023/24 feedback](#)