

Audit and Governance Committee



25 September 2025

Title	Audit and Governance Committee Annual Report
Purpose of the report	To make a decision
Report status	Public report
Executive Director/ Statutory Officer Commissioning Report	Chair of the Audit and Governance Committee
Report author	Paul Harrington – Chief Auditor
Lead Councillor	Councillor Ellie Emberson, Lead Councillor for Corporate Services and Resources
Council priority	Ensure Reading Borough Council is fit for the future
Recommendations	The Audit and Governance Committee is requested to consider and approve the draft report as a fair reflection of their performance over the municipal year before submission to Council.

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 2024/25.
 - 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 last assessment against the CIPFA guidance was carried out.
 - Possible areas identified for improvement and forthcoming plans

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>

- 1.3 The annual report reviews the Committee's work over the last 12 months and has been produced by the Audit and Governance Committee, with input from committee members and key officers, including the Chief Auditor.
- 1.4 Audit & Governance Committee members and key officers were asked to complete a questionnaire reviewing the committee over the last municipal year. Some of the key findings are:
 - There was a high awareness among both councillors and officers of the committee's role and purpose.
 - There was strong agreement that the committee adequately considered governance, internal control, and audit matters. However, officers indicated a decline in attention to risk management and financial reporting.
 - Councillors reported improved escalation of issues, whilst officers observed a decline in the promptness and follow-up of actions.
 - There was a marked improvement in councillors' awareness of training evaluations, with both groups perceiving that the committee had appropriate knowledge and skills.
 - There was still a lack of clarity as to whether private meetings occurred with either internal or external audit.
 - Both groups acknowledged the committee's value in improving governance and risk management.
- 1.5 Committee members have continued to ask questions and challenge officers where appropriate throughout the year and have requested the attendance of various officers to provide updates on areas of concern.
- 1.6 Areas for improvement are identified in section seven of Appendix One.
- 1.7 Generally, the Audit and Governance Committee complies with the 2022 CIPFA Position Statement, although it does not have any independent members on the committee and did not review the Annual Governance Statement during the year.

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 Plan has established five priorities for the years 2025/28. These priorities are:
 - Promote more equal communities in Reading
 - Secure Reading's economic and cultural success
 - Deliver a sustainable and healthy environment and reduce our carbon footprint
 - Safeguard and support the health and wellbeing of Reading's adults and children
 - Ensure Reading Borough Council is fit for the future
- 2.3. In delivering these priorities, we will be guided by the following set of principles:
 - Putting residents first
 - Building on strong foundations
 - Recognising, respecting, and nurturing all our diverse communities
 - Involving, collaborating, and empowering residents
 - Being proudly ambitious for Reading
- 2.4. Full details of the Council Plan and the projects which will deliver these priorities are published on the Council's website - [Council plan - Reading Borough Council](#). These priorities and the Council 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. Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to -

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

5.2. 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. There are none.

Appendices – delete if there are none

- 1. Audit Committee Report**
- 2. Feedback from Committee and key Officer surveys**