

TO: GOVERNANCE AND AUDIT COMMITTEE
24 JUNE 2015

**CIPFA : AUDIT COMMITTEES – PRACTICAL GUIDANCE FOR LOCAL AUTHORITIES
AND POLICE**

Head of Audit and Risk Management

1 PURPOSE OF REPORT

- 1.1 To ensure that the Governance and Audit Committee are aware of the latest best practice guidance.

2 RECOMMENDATIONS

- 2.1 **The Governance and Audit Committee consider undertaking self-assessment of compliance with Audit Committees: Practical Guidance for Local Authorities and Police at Appendix 1.**
- 2.2 **A workshop to be set up to be led by the Chairman and Sally Hendrick, to which all members of the Committee would be invited, to undertake the self-assessment.**

3 REASONS FOR RECOMMENDATIONS

- 3.1 To ensure the Council is complying with the latest best practice.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 None

5 SUPPORTING INFORMATION

- 5.1 The Governance and Audit Committee at Bracknell Forest Council has been in place since April 2009 and was broadly compliant with best practice in existence at the time it was established. CIPFA have issued revised guidance for audit committees- ***Audit Committees: Practical Guidance for Local Authorities and Police***. This sets out the latest best practice for audit committees in local authorities.
- 5.2 The Guidance states that audit committees are a key component of an authority's governance framework and defines the core functions of an audit committee as
- To be satisfied that the assurance statement, including the Annual Governance Statement, properly reflect the authority's risk environment and any actions required to improve it, and demonstrate how governance supports the achievements of the authority's objectives.
 - In relation to internal audit functions
 - Oversee its independence, objectivity, performance and professionalism
 - Support the effectiveness of the internal audit process
 - Promote the effective use of internal audit within the assurance framework
 - Consider the effectiveness of the authority's risk management arrangements and control environment. Review the risk profile of the organisation and assurances that action is being taken on risk-related issues, including partnerships with other organisations.

Unrestricted

- Consider the reports and recommendations of external audit and inspection agencies and the implications for governance, risk management or control.
- Monitor the effectiveness of the control environment including arrangements for ensuring value for money and for managing the authority's exposure to the risk of fraud and corruption.
- Support the effective relationships between external audit and internal audit, inspection agencies and other relevant bodies, and encourage the active promotion of the value of the audit process.
- Review the financial statements, external auditor's opinion and reports to members, and monitor management action in response to the issues raised by external audit.

5.3 Whilst the Guidance notes that no single model of audit committee is prescribed, it states that all audit committees should:

- Act as the principal non-executive advisory function supporting those charged with governance
- Be independent of both the executive and scrutiny function.
- Have clear right of access to other committees/functions
- Be properly accountable to the authority's board or equivalent bodies
- Meet regularly- at least 4 times a year
- Be able to meet privately and separately with the external auditor and with the head of internal audit.
- Include, as regular attendees, the chief financial officer, the chief executive, the head of internal audit and the appointed external auditor. Other attendees may include the Monitoring Officer for standards issues and the head of resources where this post exists. These officers should also be able to access the committees and the committee should have the right to call any other officers or agencies of the authority as required.
- Report regularly on their work and at least annually report on assessment of their performance.

5.4 The Committee has not carried out a formal self assessment of its performance since it was established as the requirements under the previous best practice guidance was less prescriptive. Hence it may be appropriate now for the Committee to consider undertaking a self assessment of compliance with best practice. The Guidance provides a checklist for self-assessment that is attached at Appendix 1.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

6.1 Nothing to add.

Borough Treasurer

6.2 Nothing to add.

Equalities Impact Assessment

- 6.3 Not applicable

Strategic Risk Management Issues

- 6.4 The Governance and Audit Committee is a key component of the Council's governance frame work providing those charged with governance independent assurance on the adequacy of the risk management arrangements.

7 CONSULTATION

Principal Groups Consulted

- 7.1 Not applicable.

Background Papers

CIPFA Audit Committees- Practical Guidance for Local Authorities and Police

Contact for further information

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