

## SOUTH HOLLAND DISTRICT COUNCIL

**Report of:** Interim S151 Chief Finance Officer – Suzanne Jones

**To:** Governance and Audit Committee – 15 September 2016

**Author:** Ken Trotter – Interim Chief Accountant

**Subject:** Governance and Audit Committee Self-Assessment

**Purpose:** The Chartered Institute of Public Finance and Accountancy (CIPFA) advocate that it is good practice for Audit Committees to undertake regular assessments, thus enabling members to gain an appreciation of what affords best practice, to confirm the level of compliance being achieved, and to identify any potential areas for enhancements to be made to arrangements.

### **Recommendation:**

That Members note the completed checklist at Appendix A and the actions to be completed

### **1.0 BACKGROUND**

- 1.1 The Public Sector Internal Audit Standards call for audit committees to assess their remit and effectiveness in keeping with Standard 1000 – Purpose, Authority and Responsibility
- 1.2 CIPFA's Audit Committee Self-Assessment Checklist (attached at Appendix A) focuses on 6 fundamental areas, and 66 individual aspects of operations. The key areas are as follows:
- Establishment, Operation and Duties;
  - Internal Control;
  - Financial Reporting and Regulatory Matters;
  - Internal Audit;
  - External Audit; and
  - Administration.
- 1.3 A checklist is examined prior to each meeting and revisions as necessary agreed by committee
- 1.4 The activity identifies actions that will improve the effectiveness of the committee. These are highlighted bold in the appendix. The actions include producing an annual report on the work of the committee which is on the agenda for this meeting

### **2.0 OPTIONS**

- 2.1 The alternative approach would be for the Committee to not complete the Self- Assessment exercise; however this would result in no assurance being provided that the Committee is assisting the Council in achieving good corporate governance, and is sufficiently proactive.

### **3.0 REASONS FOR RECOMMENDATION**

- 3.1 Completion of the Self-Assessment Checklist provides feedback on the effectiveness of the current arrangements, and ensures that best practice is followed by the Committee, and good corporate governance is achieved.

#### 4.0 EXPECTED BENEFITS

4.1 The Committee are able to demonstrate that best practice is followed and that they are proactive in helping to raise the profile of internal control, risk management and financial reporting matters at the Council.

#### 5.0 IMPLICATIONS

##### 5.1 Constitution & Legal

5.1.1 Examination of the checklist will increase members' awareness of the annual governance statement and increase the level of detail available in respect of the annual review of effectiveness of the Governance Framework.

##### 5.2 Corporate Priorities

5.2.1 The Committee, through its terms of reference, helps to ensure that the service areas and risks reported are working towards the efficient and effective delivery of the Council's corporate priorities.

##### 5.3 Financial

5.3.1 The committee, through its terms of reference forms an important element of the internal control system within the council.

##### 5.4 Risk Management

5.4.1 The Committee supports the oversight of the risk management framework, which in turn ensures that key risks are accurately reviewed and addressed by following best practice and adopting sound terms of reference.

#### 6.0 WARDS/COMMUNITIES AFFECTED

6.1 None.

#### 7.0 ACRONYMS

7.1 CIPFA - Chartered Institute of Public Finance and Accountancy.

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Background papers:- None

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#### Lead Contact Officer

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#### Director / Officer who will be attending the Meeting

Name and Post: Ken Trotter – Interim Chief Accountant

**Key Decision:** No

**Exempt Decision:** No

#### Appendices attached to this report:

Appendix A Governance and Audit Committee Self-Assessment Checklist