

SOUTH HOLLAND DISTRICT COUNCIL

Report of: Finance Manager

To: Governance and Audit Committee – 18 December 2014

(Author: Mark Finch – Finance Manager)

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:

- 1) That Members note the completed checklist at Appendix 1 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 1) 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 At a workshop session on 25 September the Governance and Audit Committee systematically went through the checklist to assess its performance against the CIPFA standard. The results of this assessment are set out in Appendix 1.
- 1.4 The exercise identified a handful of actions that would improve its effectiveness. These are highlighted bold in the appendix. The actions include producing an annual report of the work of the audit committee, ensuring that members have appropriate induction and training, and holding private meetings with the internal and external auditors.

2.0 OPTIONS

- 2.1 The alternative approach would be for the Audit Committee 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 Audit 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 Carbon Footprint / Environmental Issues

5.1.1 It is the opinion of the Report Author that there are no implications.

5.2 Constitution & Legal

5.2.1 It is the opinion of the Report Author that there are no implications.

5.3 Contracts

5.3.1 It is the opinion of the Report Author that there are no implications.

5.4 Corporate Priorities

5.4.1 The Audit 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.

5.5 Crime and Disorder

5.5.1 It is the opinion of the Report Author that there are no implications.

5.6 Equality and Diversity / Human Rights

5.6.1 It is the opinion of the Report Author that there are no implications.

5.7 Financial

5.7.1 It is the opinion of the Report Author that there are no implications.

5.8 Health & Wellbeing

5.8.1 It is the opinion of the Report Author that there are no implications.

5.9 Risk Management

5.9.1 The Committee supports the oversight of the Council's risk management framework, which will in turn ensure that the Council's key risks are accurately reviewed and addressed. This is ensured by following best practice and adopting sound terms of reference.

5.10 **Staffing**

5.10.1 It is the opinion of the Report Author that there are no implications.

5.11 **Stakeholders / Consultation / Timescales**

5.11.1 It is the opinion of the Report Author that there are no implications.

6.0 **WARDS/COMMUNITIES AFFECTED**

6.1 None.

7.0 **ACRONYMS**

7.1 CIPFA - Chartered Institute of Public Finance and Accountancy.

Background papers:- [See The Committee Report Guide](#)

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Director / Officer who will be attending the Meeting

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Key Decision: No

Exempt Decision: No

Appendices attached to this report:

Appendix A Governance and Audit Committee Self-Assessment Checklist