

## Audit and Governance Committee – Effectiveness Review 2024

On 14 December 2023, members of the Audit and Governance Committee met to conduct a self-assessment to evaluate impact and effectiveness over the previous year. This was carried out based on the evaluation tool provided with the CIPFA Position Statement 2022 on Audit Committees in Local Authorities. The review results will be utilised to support planning of the Committee’s future work programme and training plans.

CIPFA guidance states that an audit and governance committee’s effectiveness should be judged by the contribution it makes to and the beneficial impact it has on the authority’s business. Since it is primarily an advisory body, it can be more difficult to identify how the audit committee has made a difference. Evidence of effectiveness will usually be characterised as ‘influence’, ‘persuasion’ and ‘support’. The broad areas that the Committee may support are illustrated below and formed the basis for this review.

*Figure 1: The influential audit and governance committee*



The table below provides a progress update against the actions identified from last year's effectiveness review.

<b>Areas where the audit committee can have impact by supporting improvement</b>	<b>Proposed Actions</b>	<b>Progress Update 2023/24</b>
<b>Promoting the principles of good governance and their application to decision making.</b>	<ul style="list-style-type: none"> <li>a) Review and update of Local Code of Corporate Governance to be completed in 2023.</li> <li>b) Head of Governance to carry out a recruitment process for an independent member for the Committee.</li> <li>c) Training and development plan for 2023/24 to include appropriate coverage of audit and governance issues for members of this Committee.</li> </ul>	<ul style="list-style-type: none"> <li>• Review completed and approved.</li> <li>• Recruitment process for Independent Member not completed so far due to short-staffing in the team and other pressures. Will be undertaken in 2024/25.</li> <li>• Training delivered through 2023/24, areas identified to focus 2024/25 training needs.</li> </ul>
<b>Supporting effective external audit, with a focus on high quality and timely audit work.</b>	<ul style="list-style-type: none"> <li>a) Head of Governance to liaise with external auditors regarding opportunity to join a pre-meeting with the Committee Chair.</li> </ul>	<ul style="list-style-type: none"> <li>• New external auditors, KPMG, now attending pre-meetings with the Committee Chair and Internal Audit as of December 2023.</li> </ul>
<b>Supporting the development of robust arrangements for ensuring value for money.</b>	<ul style="list-style-type: none"> <li>a) Head of Governance to arrange for Benchmarking Exercise results to be reported to the Audit &amp; Governance Committee in 2023/24.</li> </ul>	<ul style="list-style-type: none"> <li>• Benchmarking results of both Pensions Administration and Investments presented in a separate seminar for all Authority and LPB members in February 2024.</li> </ul>
<b>Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks.</b>	<ul style="list-style-type: none"> <li>a) Governance team will include a session around ethics and values on the agenda for the Members' away day scheduled for Nov 2023.</li> <li>b) Officers to review the question regarding pre-employment checks and vetting as additional due diligence to help combat fraud and corruption risks.</li> </ul>	<ul style="list-style-type: none"> <li>• Completed and a session delivered at the first Members CPD Away Day on 30/11/23.</li> <li>• Pre-employment checks are in place and a probationary period for all new staff.</li> <li>• Action will be taken forward to review Antifraud and Corruption policies during 2024/25</li> </ul>
<b>Promoting effective public reporting to the authority's stakeholders and local community and measures to improve transparency and accountability.</b>	<ul style="list-style-type: none"> <li>a) Governance team will ensure that reporting and transparency, including the AGS in particular, is appropriately covered in the Member Learning and Development Strategy for 2023/24.</li> </ul>	<ul style="list-style-type: none"> <li>• To carry forward into 2024/25 – good practice to schedule a briefing session to review the AGS.</li> </ul>

## Effectiveness Review – Areas for Improvement & Action Plan for 2024/25

Following the review undertaken in December 2023 of the progress against actions identified last year outlined in the table above, the outstanding actions and some further actions were identified to be undertaken during the forthcoming year to address the areas for improvement. These are set out in the following table.

Principle and Area for Improvement	Actions Required	Responsible Owner	Date for Completion
Promoting the principles of good governance and their application to decision making.	Recruitment of Independent Adviser to enhance the Committee and ensure compliance with best practice as recommended by CIPFA.	Head of Governance and Corporate Services	July 2024
Promoting the principles of good governance and their application to decision making.	Focused, brief training 'bites' on relevant items to be scheduled in advance of the meetings as relevant to support members in their review and scrutiny. Including: Final Accounts, Risk Appetite, Internal Audit / Corporate Assurance.	Head of Governance and Corporate Services	July 2024
Contributing to the development of an effective control environment	Provision of more information / training for members on the process for investment decisions relating to investments that are still managed locally.	Assistant Director – Investment Strategy	December 2024
Supporting effective external audit, with a focus on high quality and timely audit work.	Committee to continue building effective working relationship with new external auditor in their first year – supported by attendance of external auditor at pre-meetings with the Chair, effective debate and reporting at the Committee meetings, and any separate briefings as relevant.	Audit & Governance Committee Chair	On-going during 2024/25.

<p>Supporting the development of robust arrangements for ensuring value for money.</p>	<p>Committee members identified that continuity of membership on the Authority is a strength but achieving this is subject to external factors – both electoral outcomes and also Council group decisions. The Committee agreed an action for themselves as members to try and encourage greater continuity of membership through raising this issue with their own group leaders.</p>	<p>Audit &amp; Governance Committee Members</p>	<p>May 2024</p>
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## **Conclusion**

Audit and Governance Committee members evaluated their impact and effectiveness over the year just ended. The review identified actions for continuous improvement; progress on these will be monitored in the forthcoming year.

An effectiveness review will be completed annually.