



Report to Audit and Governance Committee

Date:	24 March 2021
Title:	Audit Committee Review of Effectiveness
Relevant councillor(s):	Councillor Richard Newcombe
Author and/or contact officer:	Maggie Gibb, Head of Business Assurance (& Chief Auditor)
Ward(s) affected:	N/A
Recommendations:	To note the report
Reason for decision:	N/A

1. Executive summary

- 1.1 The inaugural meeting of Buckinghamshire Council's Audit and Governance took place in June 2020, and as such the committee has not been in existence for a full year.
- 1.2 However, despite this, it was considered prudent to undertake a high-level review of the effectiveness of the committee before the elections in May.
- 1.3 The review has been carried out through consultation with members of the committee and officers who have attended the meetings on a regular basis.

2. Content of report

- 2.1 Audit Committees are a key component of the Council's governance framework. Their function is to provide an independent and high-level resource to support good governance and strong public financial management.
- 2.2 The purpose of an Audit Committee is to provide those charged with governance in the Council, independent assurance on the adequacy of the Council's risk management framework, internal control environment and the integrity of the financial reporting and governance processes.

- 2.3 By overseeing both Internal and External Audit, it makes an important contribution to ensuring that effective management arrangements are in place.
- 2.4 As outlined in the CIPFA publication “Audit Committees: Practical Guidance for Local Authorities (2018)”, the core functions of the Audit Committee are to:
- (a) Be satisfied that the authority’s assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it, and demonstrate how governance supports the achievement of the Council’s objectives.
 - (b) In relation to the Council’s 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.
 - (c) Consider the effectiveness of the authority’s risk management arrangements and the control environments. Review the risk profile of the organisation and assurances that action is being taken on risk-related issues.
 - (d) 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.
 - (e) Consider the reports and recommendations of External Audit, and other inspection agencies where applicable, and their implications for governance, risk management or control.
 - (f) Support effective relationships between External Audit and Internal Audit, inspections agencies and other relevant bodies and encourage the active promotion of the value of the audit process.
 - (g) Review the financial statements, External Auditor’s opinion and reports to Members, and monitor management actions in response to the issues raised by External Audit.
- 2.5 Buckinghamshire Council’s Audit and Governance Committee operates in accordance with the approved [Terms of Reference](#).
- 2.6 Four meetings have been held during the 2020/21 financial year (June, July and November 2020, and January 2021). The fifth meeting of the committee will be held on 24 March 2021 where this report will be considered.
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- 2.7 In addition to this, the Risk Management Group (sub-group of the Audit & Governance Committee) has met four times during the financial year.
- 2.8 Member training sessions have been held on the role of the audit committee, fraud awareness and treasury management.
- 2.9 Members of the Committee have a wide range of both experience and professional knowledge. The Committee has the benefit of being well supported by Council Officers. The Service Director – Corporate Finance (S151), Head of Business Assurance (Chief Auditor) and External Audit regularly attend the meetings. Other officers attend as necessary to present specific reports.
- 2.10 The Chair and the Vice Chair have regular pre-meetings with lead Officers to review and discuss meeting content to ensure the Committee’s Terms of Reference are adhered to.
- 2.11 The Committee has a rolling and flexible programme of work for its main areas of activity which is reviewed and amended throughout the year to reflect changes in policies, priorities and risks.
- 2.12 The Committee considered items which are presented annually, such as internal and external audit plans, internal and external audit reports, the statement of accounts, the annual governance statement as well as several other items including the treasury management annual report.
- 2.13 2020/21 has been an exceptional year due to the launch of the new single unitary authority for Buckinghamshire. This has resulted in the Audit and Governance committee being required to approve the accounts for the five legacy authorities.
- 2.14 The Committee considers its work programme at each meeting and has been responsive to the need to change the timings of meetings to allow it to receive audit reports. The Committee has also undertaken informal briefing sessions, for example on legacy Council statement of accounts which has assisted in formal meetings being more focussed and effective.
- 2.15 The items considered by the Audit and Governance Committee during 2020/21 can be viewed at [here](#).
- 2.16 Members of the committee and officers who support the committee were asked for their views on a short number of high-level questions, the results of which are as follows:

<p>Do you feel that the A&G Committee has discharged its duties in accordance with the Terms of Reference?</p>	<p>Yes.</p> <p><i>All respondents agreed that the committee has discharged its duties in accordance with the Terms of Reference.</i></p>
<p>Do you think that the current frequency of meetings is sufficient to allow the Committee to properly consider the items on the agenda?</p>	<p>Majority of respondents responded yes, with comments as follows:</p> <ul style="list-style-type: none"> - <i>Formation of Unitary council has taken up a lot of time with legacy council business to deal with.</i> - <i>Some of the Committee agendas and papers running into two or three hundred pages and the requests for the paper version, rather than on line, it does not give the Committee Member sufficient time to look at and consider the items on the agenda.</i> - <i>Yes but in view of the special circumstances flexibility has been required making this a little difficult to judge for a more normal future.</i>
<p>What do you feel worked well during 2020/21 A&G Committee meetings?</p>	<p>Responses included:</p> <ul style="list-style-type: none"> - <i>The clear methodical approach taken by the chairman and the engagement of officers in answering our questions.</i> - <i>MS Teams remote meetings, allowing to meet safely during the Covid-19 pandemic.</i> - <i>Member / Officer relationships worked well to ensure Audit & Governance Committee discharged its duties.</i> - <i>Strong chairmanship and a Member-led Committee.</i> - <i>Private sessions on statement accounts in advance of committee meeting.</i> - <i>Appropriate attention for all papers.</i> - <i>Consideration of risks separately by Risk Management Group in private meeting so can discuss and challenge in detail.</i> - <i>The meetings were well chaired and full time was given to details.</i>



	<ul style="list-style-type: none"> - <i>Good level of teamwork amongst committee members and officers with a clear understanding of our duties and the role of the committee.</i> - <i>The virtual Teams meeting were well run, and questions asked were, in the main, responded to in a timely way. If the information was not readily available a written response was given in good time. Officers were very willing to give full answer to questions and explain the items too.</i> - <i>The committee works well together and has fulfilled its purpose</i>
<p>Are there areas for improvement?</p>	<p>Responses included:</p> <ul style="list-style-type: none"> - <i>Getting printed papers to members was initially a bit difficult but was quickly sorted .I feel it is important particularly for risk where it is hard to read them on a small screen.</i> - <i>It will be good to return to face to face meetings when possible.</i> - <i>Committee agendas and items and the sending out of paperwork by post in a timely manner.</i>

2.17 An action plan will be developed to address areas for improvement where required.

2.18 In conclusion, the committee has been effective in undertaking the functions set out in its terms of reference, in accordance with the Accounts and Audit Regulations 2015.

3. Other options considered

3.1 N/A.

4. Legal and financial implications

4.1 None.

5. Corporate implications

5.1 None.



6. Local councillors & community boards consultation & views

6.1 N/A

7. Communication, engagement & further consultation

7.1 N/A.

8. Next steps and review

8.1 A full review of the effectiveness of the Audit and Governance Committee will be scheduled for Q4 of 2021/22.

9. Background papers

9.1 None.

10. Your questions and views (for key decisions)

10.1 If you have any questions about the matters contained in this report please get in touch with the author of this report. If you have any views that you would like the cabinet member to consider please inform the democratic services team. This can be done by telephone 01296 382343 or email democracy@buckinghamshire.gov.uk.