



Report to Audit and Governance Committee

Date:	5 July 2023
Title:	Review of Effectiveness of Audit Committee
Relevant councillor(s):	N/A
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 Audit committees are a key component of an authority's governance framework. Their purpose is to provide an independent and high-level focus on the adequacy of governance, risk, and control arrangements. The committee's role in ensuring that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance that those arrangements are effective.
- 1.2 In accordance with CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022 (Appendix 1), an evaluation of the effectiveness of Buckinghamshire Council's Audit and Governance Committee has been undertaken, and areas for improvement have been identified.

2. Content of report

- 2.1 CIPFA's Self-Assessment of Good Practice checklist provides a high-level review that incorporates the key principles set out in their Position Statement and guidance document Audit Committees: Practical Guidance for Local Authorities and Police. Where an audit committee has a high degree of performance against the good practice principles, it is an indicator that the committee is soundly based and has in

place a knowledgeable membership. These are the essential factors in developing an effective audit committee.

- 2.2 The results of the self-assessment exercise, carried out by some members of the Audit and Governance Committee and a sample of officers who support the committee, can be seen in Appendix 2.
- 2.3 The majority of the good practice principles were assessed as “fully complies” and requires no further improvement.
- 2.4 An Improvement Plan has been drafted to address the actions required where the good practice principles have been assessed as “partially complies” or “does not comply” and therefore needs improvement.
- 2.5 The good practice principles identified as requiring improvement include the following:
 - Do all those charged with governance and in leadership roles have a good understanding of the role and purpose of the committee?
 - Does the audit committee escalate issues and concerns promptly to those in governance and leadership roles?
 - Has the committee met privately with the external auditors and head of internal audit in the last year?
 - Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled?
 - Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out within the last two years?
 - Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance?
 - Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance?
 - Do audit committee recommendations have traction with those in leadership roles?
 - Has the committee evaluated whether and how it is adding value to the organisation?
 - Does the committee have an action plan to improve any areas of weakness?

The Improvement Plan, which addresses the areas above, can be found at Appendix 3.

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 The Improvement Plan will be monitored and updated on a regular basis and presented at the Audit and Governance Committee as a standing item on the agenda.

9. Background papers

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.