

Committee: Governance, Audit & Performance Committee **Date:**
Title: Governance, Audit & Performance Committee 17 May 2018
Self-assessment 2017/18
Author: Sheila Bronson, Internal Audit Manager 01799 **Item for decision:**
510610 No

Summary

1. The Governance, Audit & Performance Committee fulfils the Audit Committee functions for the Council. To ensure it is meeting its responsibilities against the guidance provided by Chartered Institute of Public Finance and Accountancy (CIPFA), a self-assessment of its work during 2017/18 has been undertaken. This self-assessment will be included as evidence in support of the Annual Governance Statement 2017/18

Recommendations

2. The Committee note the outcome of Governance, Audit & Performance Committee Self-Assessment 2017/18

Financial Implications

3. None. There are no costs associated with this report

Background Papers

4. None

Impact

- 5.

Communication/Consultation	none
Community Safety	none
Equalities	none
Health and Safety	none
Human Rights/Legal Implications	none
Sustainability	none
Ward-specific impacts	none

Workforce/Workplace	none
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Situation

6. In December 2013, CIPFA published its “Audit Committees – Practical Guidance for Local Authorities and Police”. This guidance contains a Self-Assessment of Good Practice and an Evaluation of Effectiveness of audit committees.
7. Members were invited to take part in self-assessment exercise on 09 April 2018 using the checklists for the Self-Assessment of Good Practice and Evaluation of Effectiveness to consider the performance of this Committee in fulfilling its Audit Committee functions during 2017/18.

Self-Assessment of Good Practice

8. There are 20 questions contain in the CIPFA Self-assessment of Good Practice checklist which were considered during the exercise. The completed self-assessment with comments to evidence the responses to each question is attached at Appendix A; below is a summary of the responses.
9. Of the 20 questions, responses were assessed as follows:

Yes	Partly	No	n/a
15	2	2	1

In comparison with the 2016/17 responses:

Yes	Partly	No
12	4	4

The 2 “No” responses are:

Ref	Good Practice question	Comments / Actions
15	Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?	Members should consider completing a self-assessment against the core skills and consider what training may be necessary to fill any gaps identified
18	Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?	Neither sought nor received

10. The 4 “Partly” responses are:

Ref	Good Practice question	Comments / Actions
1	Does the authority have a dedicated audit committee?	From 01 April 2017, the committee has changed to Governance, Audit & Performance. Its area of responsibility has increase to include governance and constitutional matters.
19	Has the committee evaluated whether and how it is adding value to the organisation?	The committee has scored “Partly” for item 19. It is felt that it has limited opportunity to do so. However the committee does add value to the Council by providing independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes as per item 7.

Evaluation of Effectiveness

11. The CIPFA Evaluation of Effectiveness requires consideration of 9 areas where the audit committee can add value by supporting improvement, to be assessed against the following key:

Assessment key	
5	Clear evidence is available from a number of sources that the committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.
4	Clear evidence from some sources that the committee is actively and effectively supporting improvement across some aspects of this area.
3	The committee has had mixed experience in supporting improvement in this area. There is some evidence that demonstrates their impact but there are also significant gaps.
2	There is some evidence that the committee has supported improvements, but the impact of this support is limited.
1	No evidence can be found that the audit committee has supported improvements in this area.

12. At the exercise on 09 April 2018 it was assessed that the Committee scored as follows:

Key level **5** in **5** of the areas

Key level **4.5** in **2** of the areas
 Key level **4** in **1** of the areas
 Key level **3** in **1** of the areas

An average of Key level **4.6** over the 9 areas (compared to 4.5 for 2016/17).

13. The completed evaluation with comments to evidence responses is attached at Appendix A

Conclusion

14. The conclusion from the Self-Assessment of Good Practice and Evaluation of Effectiveness carried out on 09 April 2018 is therefore, that in 2017/18 the Governance, Audit & Performance Committee has effectively fulfilled its Audit Committee functions in accordance with the CIPFA guidance for an Audit Committee.

Risk Analysis

15.

Risk	Likelihood	Impact	Mitigating actions
The Governance, Audit & Performance Committee fails to fulfil its function as the Council's Audit Committee	1 = Little or no Likelihood Annual self-assessment to be carried out as part of the evidence required for the Annual Governance Statement	2 = Some impact – action may be necessary	The annual self-assessment The Annual Governance Statement is reviewed by the External Auditor and by the Governance, Audit & Performance Committee

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.