

Report To: Corporate Governance Committee

Date of Meeting: 6 June 2018

Lead Member / Officer: Lisa Lovegrove – Chief Internal Auditor

Report Author: Lisa Lovegrove – Chief Internal Auditor

Title: CIPFA Practical Guidance for Audit Committees 2018

1. What is the report about?

In May 2018, the Chartered Institute of Public Finance and Accountancy (CIPFA) published their revised guidance and updated edition of “Audit Committees – Practical Guidance for Local Authorities and Police”. For Denbighshire County Council, the Corporate Governance Committee carries out the functions and responsibilities of an Audit Committee and for the rest of the report will be referred to as the Corporate Governance Committee.

2. What is the reason for making this report?

It is important that the Committee regularly undertakes a formal review of its own effectiveness to ensure it fulfils its potential and has the necessary skills and knowledge to undertake its role. The CIPFA Practical Guidance for Audit Committee enables Members of the Committee to assess themselves against the core knowledge and skills framework which is outlined.

3. What are the Recommendations?

It is recommended that the Committee:

- i. considers the report content;
- ii. undertakes a self-assessment based on the CIPFA template (previously circulated) and a review of its training needs.

4. Report details

The revised guidance provides CIPFA’s guidance on the function and operation of audit committees. It includes their 2018 Position Statement to emphasise the importance of audit committees and their role as a key component of governance.

The guidance provides some suggested Terms of Reference which the Committee can use to ascertain if the Committee’s terms of reference are appropriate or need updating. A knowledge and skills framework is also provided and a self-assessment of good practice.

If the committee agrees to conduct a self-assessment of its effectiveness and a training needs analysis, the timing will be appropriate as the existing committee will have been in place for a year.

It is proposed that a task group of three Members, including the Chair and Vice-Chair of the Committee, lead this work; conducting an analysis of the committee’s effectiveness using assessment tools adapted from the CIPFA Guidance. Each member of the Committee will be asked to complete a Knowledge and Skills

Assessment based on the knowledge and skills framework in the CIPFA Guidance. This is to allow the development of an effective training programme.

5. How does the decision contribute to the Corporate Priorities?

An effective Committee supports the delivery of corporate priorities by ensuring the Council has the necessary controls and governance arrangements in place.

6. What will it cost and how will it affect other services?

Depending on outcome of self-assessment and training needs analysis, there may be additional costs for training; however, every attempt will be made to deliver in-house if appropriate.

7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision? The completed EqIA template should be attached as an appendix to the report

There are no direct equalities implications arising from this report.

8. What consultations have been carried out with Scrutiny and others?

Not applicable.

9. Chief Finance Officer Statement

Not applicable.

10. What risks are there and is there anything we can do to reduce them?

An effective Corporate Governance Committee is an important source of assurance about the Council's arrangements for managing risk.

11. Power to make the Decision

Not applicable.