

Audit and Governance Committee 28th November 2022

Report Title	Audit & Governance Committee Annual Report	
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List of Appendices

APPENDIX – Audit and Governance Committee Annual Report 2022

1. Purpose of Report

- 1.1 To inform the Council on the work of the Audit & Governance Committee during the 18 month period to September 2022 and the means by which the Committee has provided independent assurance to those charged with governance on the integrity of financial reporting and annual governance processes, the adequacy of the risk management framework and the internal control environment.

2. Executive Summary

- 2.1 The report summarises the work carried out by the Committee between 1st April 2021 and 30th September 2022 in the areas of responsibility defined within its terms of reference. The report reflects upon the Committee's contribution to embedding good governance and risk management within the organisation during its first eighteen months and also includes the outcomes of a self-assessment of the committee's effectiveness, against the Chartered Institute of Public Finance and Accountancy (CIPFA) Guidance.

3. Recommendations

- 3.1 It is recommended that the Committee:
- a) Approve the Annual Report for presentation to Council.
- 3.2 Reason for Recommendations –
- To comply with the Committee's terms of reference and best practice guidance on effective audit committees.

4. Report Background

- 4.1 The Chartered Institute of Public Finance & Accountancy (CIPFA) sets out the role of Audit Committees in their Practical Guidance for Local Authorities 2018. This states that “the purpose of the Audit Committee is to provide to those charged with governance 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.”
- 4.2 The Accounts & Audit (England) Regulations impose a responsibility on a local authority “for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body’s functions and which includes arrangements for the management of risk.”
- 4.3 The Audit and Governance Committee’s Terms of Reference state: “The Audit and Governance Committee will carry out an annual self-assessment, including a review of these terms of reference, to evaluate its own performance and determine any action required to improve its effectiveness. The outcomes will be reported to Full Council’.
- 4.4 The Audit and Governance Committee comprises of ten Members. The Committee has five planned meetings each year at which reports submitted by officers and the External Auditor are considered. By consideration of these reports and matters raised within them it is considered that the Audit and Governance Committee fulfils the core functions of an Audit Committee as set out in the CIPFA Guidance and is able to give independent assurance to the Council to meet the requirements of the Accounts & Audit (England) Regulations.
- 4.5 The Annual Report reflects upon the work of the Committee against its core functions during the period of April 2021 to September 2022. It is intended that the timing of future reports will be each September, to encompass the consideration of the prior year’s annual Internal Audit Report.
- 4.6 All Committee members were invited to participate in a self-assessment of the Committee against the CIPFA guidance on the role of the Audit Committee in 2022 and the key findings of this assessment are reflected upon in the Annual Report. The Chair and Vice Chair will reflect on the findings further in developing an action plan.

5. Issues and Choices

- 5.1 The recommended approach is in line with the Committee’s Terms of Reference and best practice guidance.

6. Implications (including financial implications)

6.1 Resources and Financial

- 6.1.1 None specific to this report.

6.2 **Legal**

6.2.1 None specific to this report.

6.3 **Risk**

6.3.1 None arising from this report.

6.4 **Consultation**

6.5 The Audit and Governance Committee is being consulted on the Annual Report before it is presented to Council.

6.6 **Consideration by Scrutiny**

6.6.1 Not required on this occasion.

6.7 **Climate Impact**

6.7.1 None specific to this report.

6.8 **Community Impact**

6.8.1 None specific to this report.

7. **Background Papers**

7.1 None.