

Local Members Interest
N/A

Audit and Standards Committee - Tuesday 19 March 2024

Review of the Effectiveness of the Audit & Standards Committee – Training Schedule

Recommendation

I recommend that:

- a. The format and programme of refresher training outlined, in response to the self-assessment exercise performed by Members against the CIPFA Audit Committee Members knowledge and skills framework, is adopted.

Report of the Director of Finance

Report

Background

1. CIPFA's Publication - Practical Guidance for Local Authorities and Police 2022 Edition sets out its guidance on the function and operation of audit committees in local authorities and police bodies and represents CIPFA's view of best practice for audit committees in local authorities throughout the UK and for police audit committees in England and Wales. The guidance incorporates CIPFA's 2022 Position Statement: Audit Committees in Local Authorities and Police sets out CIPFA's view of how the Audit Committee supports overall governance within the Authority.
2. Audit committees are a key component of an authority's governance framework and provide an independent and high-level focus on the adequacy of governance, risk and control arrangements.
3. The purpose of an 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. By overseeing internal and external audit, it makes an important contribution to ensuring that effective assurance arrangements are in place.

4. As a key component of an organisation's governance arrangements, the audit committee has the potential to be a valuable resource to the whole authority. Where they operate effectively, audit committees can exert influence and add value by supporting improvement across a range of objectives including: -
- Aiding the achievement of the Authority's goals and objectives by helping to ensure appropriate governance, risk, control and assurance arrangements.
 - promoting the principle of good governance and their application to decision making.
 - raising the awareness of the need for sound internal control and contributing to the development of an effective control environment.
 - supporting the arrangements to govern risk and for the effective arrangements to manage risk.
 - advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively.
 - reinforcing the objectivity, importance and independence of both internal and external audit and supporting the effectiveness of the audit functions.
 - supporting the development of robust arrangements for ensuring value for money; and
 - helping the authority to implement the values of ethical governance including effective arrangements for countering risks of fraud and corruption.
 - Promoting measure to improve transparency, accountability and effective public reporting to the Authority's stakeholders and the local community.

Audit Committee Members – Knowledge & Skills Framework Self-Assessment.

5. In order to have an effective Audit Committee it is important the Members are supported in the role by receiving the appropriate level of training tailored to their individual needs. The 2022 guidance provided a self-assessment checklist which enables Members to identify any training requirements to support them to discharge the duties identified in paragraph 4. Member undertook a self-assessment in 2023 with the following key areas identified. A detailed training programme has been developed, and three workshops will be shortly arranged to deliver the requested training, with the potential topic areas outlined below. It is expected that each session will last approximately three hours maximum.

Workshop 1

- An overview of the Council's governance arrangements including the requirements of the Annual Governance Statement (AGS).
- The elements of good governance including the Nolan Principles.
- Further discussions regarding the Terms of Reference of the Audit & Standards Committee.
- The County Council's financial management arrangements and reporting including the financial statements.
- The role of the Chief Financial Officer in Local Government

Workshop 2

- An overview of the Internal Audit function including further details on the Public Sector Internal Audit Standards (PSIAS) and the Local Government Application note (LGAN).
- The role of the Head of Internal Audit within Local Government.
- Counter Fraud arrangements including the whistleblowing process.
- The function of the External Auditor including an overview of the content of the key reports that they present to the Council.

Workshop 3

- Risk management arrangements for the Council, including the current risk maturity and key areas of improvement.
- Overview of the current risk registers
- Core skills required of an Audit Committee member.
- Recap session – Q&A across the three workshop sessions.

Equalities Implications

There are no direct implications arising from this report

Legal Implications

Whilst there are no direct implications arising from this report, the Accounts and Audit Regulations specifically require that a relevant body must "maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices"

Resource and Value for Money Implications

The net budget of the Internal Audit Section is £1,027,510.

Risk Implications

Whilst there are no direct risk implications arising from this report, the Audit & Standards Committee objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources. Where relevant, the results of individual reviews will link into the County Councils Annual Governance Statement, providing assurance on the operation of key controls.

Climate Change Implications

There are no direct climate change implications arising from this report.

List of Background Documents/Appendices:

- CIPFA – Practical Guidance for Local Authorities and Police 2022 Edition.
- Review of the Effectiveness of the Audit & Standards Committee Presentation – March 2023
- Review of the Audit & Standards Committee Terms of Reference Report – September 2023

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