

CIPFA Audit Committee Guidance Documents

Report to Audit and Standards Committee



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PORTFOLIO	Resources and Performance Management
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PURPOSE

1. To report the revised The Chartered Institute of Public Finance and Accountancy (CIPFA) Audit Committee Guidance Documents

RECOMMENDATION

2. Members consider the guidance and comment any changes for the committee's terms of reference and work programme.
3. Approve the use of Interactive Appendices E and F to assess the performance and effectiveness of the committee in the delivery of the Councils and Committees objectives.

REASONS FOR RECOMMENDATION

4. The committee considers the guidance circulated.
5. To ensure that the committee is effective in meeting its aims.

SUMMARY OF KEY POINTS

6. CIPFA has issued a suite of updated guidance documents intended to inform and support the work of Audit Committees in organisations across the public sector, including Local Authorities. The guidance is for both at Members of the Audit Committee and those Officers who support the work of the Committee.

7. The relevant documents are:
- CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022.
 - The Audit Committee Member in a Local Authority 2022 edition.
 - Guiding the Audit Committee - Supplement to the Audit Committee Member guidance 2022 edition.
 - Interactive Appendix E - Self-assessment of good practice.
 - Interactive Appendix F - Evaluating the impact and effectiveness of the Audit Committee.

8. The CIPFA papers have been provided separately to members to avoid copyright infringement.

CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022

9. The statement sets out the purpose, model, core functions and membership of an Audit Committee. The statement represents CIPFA's view on Audit Committee practice and the principles that Local Government bodies in the UK should adopt. It has been prepared in consultation with sector representatives and the Department for Levelling Up, Housing and Communities along with the Home Office support this guidance.
10. CIPFA expects that all Local Government bodies use their best efforts to adopt these principles, aiming for effective Audit Committee arrangements as an aid to meeting Councils' statutory responsibilities for governance and internal control arrangements, financial management, financial reporting and internal audit.

The Audit Committee Member in a Local Authority 2022 edition

11. This section of CIPFA's guidance is for Members of an Audit Committee within a Local Authority. Its aim is to support both elected Members and co-opted independent Members to understand the purpose of the Committee, its functions and their responsibilities as Members of the Committee. The guidance also addresses areas such as independence and accountability, and membership and effectiveness of the Committee.

Guiding the Audit Committee - Supplement to the Audit Committee Member guidance 2022 edition

12. Guiding the Audit Committee is a supplement to the Member guide. It is for those Officers who support the Committee, helping them to ensure that the Committee acts in accordance with relevant legislation and good practice. Audit Committee Members may also wish to access this supplement.

Interactive Appendix E - Self-assessment of good practice

13. This appendix provides a high-level review tool that incorporates the key principles set out in CIPFA's Position Statement.
14. Where an Audit Committee has a high degree of performance against the good practice principles contained in Appendix E, it is an indicator that the Committee is soundly based and has in place a knowledgeable membership. These are principal factors in

developing an effective Audit Committee.

15. CIPFA recommends a regular self-assessment should be used to support the planning of the Audit Committee work programme and training plans. This report echoes and supports this recommendation and proposes that the Committee includes and undertakes a regular good practice self-assessment exercise as part of the effectiveness.

Interactive Appendix F - Evaluating the impact and effectiveness of the Audit Committee

16. CIPFA believes, and this report concurs, that an Audit Committee's effectiveness should be judged by the contribution it makes to, and the beneficial impact it has on, the Authority's business.
17. Since the Audit Committee is primarily an advisory body, it can be difficult to identify how it has made a direct and/or measurable difference to the Council's aims and objectives. Evidence of effectiveness will usually be characterised as 'influence', 'persuasion' and 'support'.
18. Appendix F is for use as an improvement tool to support a review of the Audit Committee's effectiveness. It identifies the broad areas where an effective Audit Committee will have impact.
19. This report recommends and proposes that the Committee includes this in its annual review of effectiveness agreed at the July 2022 meeting.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

20. None

POLICY IMPLICATIONS

21. None

FURTHER INFORMATION:

PLEASE CONTACT:

ALSO:

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