
Report To:	Audit Committee	Date:	24 October 2023
Report By:	Head of Legal, Democratic, Digital and Customer Services	Report No:	AC/24/23/IS/APr
Contact Officer:	Andi Priestman	Contact No:	01475 712251
Subject:	CIPFA AUDIT COMMITTEE GUIDANCE 2022 – UPDATE ON IMPLEMENTATION OF IMPROVEMENT ACTIONS		

1.0 PURPOSE AND SUMMARY

1.1 For Decision For Information/Noting

1.2 The purpose of this report is to update Members on the status of improvement actions identified in relation to the self-evaluation exercise completed by Committee in relation to the updated CIPFA guidance on Audit Committees within Local Authorities.

2.0 RECOMMENDATIONS

2.1 It is recommended that Members note the implementation status of improvement actions identified in relation to the updated guidance for Audit Committees.

Iain Strachan
Head of Legal, Democratic, Digital and Customer Services

3.0 BACKGROUND AND CONTEXT

3.1 CIPFA guidance for Audit Committees was updated in October 2022 in the publication “Audit Committees: Practical Guidance for Local Authorities and Police” (2022 Edition”). This publication represents CIPFA’s view of best practice for audit committees in local authorities throughout the United Kingdom.

3.2 The CIPFA publication also included a 2022 Position Statement on audit committees in local authorities which sets out roles and responsibilities and good practice principles for audit committees. In particular, CIPFA is clear that audit committees are a key component of an authority’s governance framework, their purpose being to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The Position Statement also sets out the core functions of an audit committee being as follows:

- Maintenance of governance, risk and control arrangements;
- Financial and governance reporting; and
- Establishing appropriate and effective arrangements for audit and assurance.

CIPFA expects that all local government bodies should make their best efforts to adopt the principles, aiming for effective audit committee arrangements.

3.3 It is important that the Council’s Audit Committee demonstrates a high level of compliance with best practice guidance on Audit Committees in order to ensure that it can evidence its effectiveness as a scrutiny body and as a foundation for strong corporate governance.

3.4 A self-assessment exercise was undertaken by Audit Committee members in March 2023 and an action plan was developed and approved for areas of improvement identified.

4.0 PROPOSALS

4.1 It is recommended that members note the implementation status of improvement actions identified in relation to the updated guidance for Audit Committees set out at Appendix 1.

5.0 IMPLICATIONS

5.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

SUBJECT	YES	NO
Financial		X
Legal/Risk	X	
Human Resources		X
Strategic (Partnership Plan/Council Plan)	X	
Equalities, Fairer Scotland Duty & Children/Young People’s Rights & Wellbeing		X
Environmental & Sustainability		X
Data Protection		X

5.2 Finance

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

5.3 Legal/Risk

The self-assessment exercise against the updated guidance will ensure that the Audit Committee maximises the opportunity for effective scrutiny and fulfils its governance role.

5.4 Human Resources

There are no human resources implications arising from this report.

5.5 Strategic

This report relates to strong corporate governance.

6.0 CONSULTATION

6.1 Relevant officers have been consulted on this report.

7.0 BACKGROUND PAPERS

7.1 CIPFA Guidance for Audit Committees 2022. Copies previously circulated to Audit Committee members.

**CIPFA AUDIT COMMITTEE GUIDANCE 2022 UPDATE
IMPROVEMENT PLAN – PROGRESS AT 29 SEPTEMBER 2023**

Appendix 1

Improvement Area	Improvement Action	Responsibility/Date	Status at 29 September 2023
Audit Committee Purpose and Governance Effectiveness of the Committee	Develop an annual report from the Audit Committee to the Council which sets out compliance with the CIPFA Position Statement 2022; results of the annual evaluation; development work undertaken and planned improvements; and how the Audit Committee has fulfilled its terms of reference and the key issues escalated in the year.	Head of Legal, Democratic, Digital and Customer Services 30 June 2023	Complete Annual report from Audit Committee was presented to Council on 28 September.
	Develop a stand-alone report on the Council's wider governance and assurance arrangements as part of the annual review of the Annual Governance Statement for Audit Committee consideration each year.	Head of Legal, Democratic, Digital and Customer Services 30 June 2023	Complete Report on the 2022-23 Annual Governance Statement was presented to Audit Committee on 29 June.
	Review the Terms of Reference for the Audit Committee.	Head of Legal, Democratic, Digital and Customer Services 31 October 2023	In progress Will be picked up as part of review of Standing Orders and Scheme of Administration which will go to December 2023 Council meeting.
Functions of the Audit Committee	Review overall Committee timetable to facilitate a private meeting of the Audit Committee with internal and external audit during 2023/24 and beyond.	Head of Legal, Democratic, Digital and Customer Services 30 June 2023	Complete Now incorporated within 2023-24 timetable onwards.
Membership and Support	A regular evaluation of knowledge, skills and training needs of the Chair and committee members will be undertaken and a programme of training put in place taking account of areas identified within the 2022 guidance.	Head of Legal, Democratic, Digital and Customer Services 30 June 2023	Complete Training needs analysis has been undertaken and a programme of training has been agreed.
Membership and Support	Once the programme of training for audit committee members has been completed, an exercise to consider the addition of lay/co-opted members to the audit committee members will be undertaken.	Head of Legal, Democratic, Digital and Customer Services 30 June 2024	Programme of training has been agreed and sessions will be timetabled for completion by 30 June 2024.