

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO THE GOVERNANCE AND AUDIT COMMITTEE

28 JANUARY 2021

REPORT OF THE HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE

EFFECTIVENESS OF AUDIT COMMITTEE – SELF ASSESSMENT

1. Purpose of report

- 1.1 The purpose of this report is to summarise for members of the Committee the findings of the Self-Assessment of Good Practice from the Chartered Institute of Public Finance & Accountancy (CIPFA) Audit Committees Practical Guidance 2018.

2. Connection to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objective under the **Well-being of Future Generations (Wales) Act 2015:-**

- **Smarter use of resources** – ensuring that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

3. Background

- 3.1 CIPFA Audit Committee Practical Guidance for Local Authorities and Police 2018 Edition states as part of its Position Statement that '*Audit committees are a key component of an authority's governance framework. Their function is to provide an independent and high-level resource to support good governance and strong public financial management*'. The scope of this Position Statement includes all principal local authorities in the UK.
- 3.2 Internal Audit has reviewed the effectiveness of this Governance and Audit Committee in line with the Self-Assessment of Good Practice included in CIPFA guidance. This provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement.

4. Current situation/proposal

- 4.1 The completed checklist and its findings are attached at **Appendix A** to this report. The checklist indicates that the overall effectiveness of the Governance and Audit Committee is good with a few areas identified where improvements can be made.
- 4.2 The identified areas for consideration are:
- The production of an Annual Report on the work of the Committee including obtaining feedback on its performance.
 - The Terms of Reference for the Committee will need to be updated to reflect clearly the purpose in accordance with CIPFA's Position Statement and to

reflect the forthcoming changes in legislation set out in the Local Government & Elections (Wales) Bill once they are confirmed.

- A training needs assessment of Members should be undertaken.
- Feedback is sought from those relying on the Committee's work
- The Committee evaluates whether and how it is adding value and an action plan is put in place to improve any weaknesses.

4.3 Recommendations for the areas identified where improvements can be made are listed in **Appendix B**.

4.4 The members skills and knowledge questionnaire is attached at **Appendix C** for consideration.

5. Effect upon policy framework and procedure rules

5.1 There is no effect upon the policy framework and procedure rules.

6. Equality Impact Assessment

6.1 There are no equality implications arising from this report.

7. Well-being of Future Generations (Wales) Act 2015 implications

7.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

8. Financial implications

8.1 There are no financial implications as a result of the recommendations set out in the report.

9. Recommendations

9.1 That members of the Committee consider the findings in the checklist and the recommendations made.

9.2 That members of the Committee agree to complete the skills self assessment questionnaire.

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Background Documents :

None