

Audit and Governance Committee Annual Report 2023-2024

Date of meeting:	4 September 2024	12 September 2024	
Report to:	Audit and Governance Committee	Council	
Report of:	Executive Director of Corporate Services and Commercial		
Portfolio:	Corporate Services		
Wards affected:	(All Wards)		
Is this a key decision:	No	Included in Forward Plan:	No
Exempt/confidential report:	No		

Summary:

To formally present the Annual Report of the Audit and Governance Committee 2023-2024.

Recommendations:

1. Recommendation to the Audit and Governance Committee

To agree and refer the 2023-2024 Annual Report of the Audit and Governance Committee to the Council for approval.

2. Recommendation to the Council

That Council be requested to approve the Annual Report of the Audit and Governance Committee 2023-2024.

1. The Rationale and Evidence for the Recommendations

1.0 Introduction / Background

1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) Position Statement on Audit and Governance Committees states 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.

1.2 The Position Statement also states that:

“The audit committee should be held to account on a regular basis by the group to which it is accountable. For a local authority audit committee, this will be the Council. The aspects that should be specifically considered include:

- Whether the Committee has fulfilled its agreed terms of reference
- Whether the Committee has adopted recommended practice
- Whether the Committee members have been assessed and whether they are accessing briefing and training opportunities
- Whether the Committee has assessed its own effectiveness and been the subject of a review and the conclusions and actions from that review
- What impact the Committee has on the improvement of governance, risk and control within the authority

1.3 Within the Chartered Institute of Public Finance and Accountancy (CIPFA) model Terms of Reference (2018) which the Council adopted in May 2021, there is a requirement to publish an annual report on the work of the committee as well as to report to full council on a regular basis on the committee’s performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.

1.4 The proposed requirement stems from good practice to outline an Annual Report of the Audit and Governance Committee to the Council, setting out all the activities/decisions taken by the Committee during that year. The report should as a result enhance the accountability of the Committee and its decision making and good governance.

1.5 The Annual Report of the Audit and Governance Committee outlines the Committee’s work and achievements over the year ending 31 March 2024 and demonstrated to residents and Council stakeholders the important role that is carried out by the Committee and its contribution to the Council’s overall governance arrangements.

2.0 Audit and Governance Committee Terms of Reference and Work Programme

2.1 Following adoption of the model Terms of Reference of the Committee by the Council in May 2021 this is the fourth Audit and Governance Annual Report that has been produced and approved by the Chair of the Committee. The Annual Report, along with the Work Programme of the Committee, was developed further in 2023-2024 to ensure that the Committee remained effective in addressing all elements of the adopted model Terms of Reference.

2.2 Appendix 2 to the Annual Report sets out the Work Programme of the Committee covered in 2023-2024 comprising the schedule of meetings for the Committee and the reports to be considered at each of those meetings.

2.3 The Work Programme for each Municipal Year is an important element of planning the year ahead as it ensures that the Committee remains on target in reviewing the effectiveness of the Committee remains on target in reviewing the effectiveness of the Committee and is effectively monitoring / reviewing the Terms of Reference of the Committee (Appendix 1 to the report). Appendices 1 and 2 work hand-in-hand in that all elements of the Terms of Reference are monitored through the submissions of reports/briefings to the Committee.

3.0 Audit and Governance Committee Self-Assessment

- 3.1 The introduction of a Self-Assessment for the Committee (approved on 15 March 2023) enabled the Members to undertake a high-level review of the function and effectiveness of the Audit and Governance Committee incorporating the key principles set out in the Chartered Institute of Public Finance and Accountancy's (CIPFA) Position Statement - [CIPFA Audit Committee Position Statement.pdf](#) and the publication (Practical Guidance for Local Authorities and Police, CIPFA, 2022 - [Audit Committee Practical Guidance 2022.pdf](#)).

A copy of this document can be viewed in the Audit and Governance Committee Library at the following links: [Audit and Governance Committee Self-Assessment 2023/2024 Report Document](#) and [Audit and Governance Committee Self-Assessment 2023-2024](#)

The Self-Assessment Exercise will be undertaken on an annual basis and will inform the Committee's work programme, training and development of Committee Members and the Annual Report.

4.0 Appointment of an Independent Member

- 4.1 The appointment of a co-opted Independent Member to serve on the Audit and Governance Committee is recommended by CIPFA and seen as a positive step.
- 4.2 Ms Rachel Oakes commenced in the role on 1 June 2023.
- 4.3 The Committee requested that the relevant officers start the process of appointing a second Independent Member in March 2024. Officers are liaising with the relevant service areas with a view to appointing towards the end of 2024.

5.0 Member Training and Development Programme

- 5.1 The training and development of Audit and Governance Committee Members is considered essential to ensure they are able to be up-to-date, confident and effective in their role. A programme of briefings based on the key competencies outlined by CIPFA was held throughout 2023-2024 prior to each meeting of the Committee.

2. Financial Implications

There are no direct finance implications arising from this report. Any implications arising from matter referred to in the Annual Report would have been contained in reports when they were presented to Members during the previous year; or will be contained in future reports during the forthcoming year.

3. Legal Implications

There are no direct legal implications arising from this report. Any implications arising from matter referred to in the Annual Report would have been contained in reports when they were presented to Members during the previous year; or will be contained in future reports during the forthcoming year.

4. Corporate Risk Implications

Audit and Governance Committee are regularly updated on the Corporate Risk Register.

5 Staffing HR Implications

There are no direct Staffing / HR implications arising from this report. Any implications arising from matter referred to in the Annual Report would have been contained in reports when they were presented to Members during the previous year; or will be contained in future reports during the forthcoming year.

6 Conclusion

To comply with the Terms of Reference of the Committee as set out in Chapter 7 of the Council's Constitution.

Alternative Options Considered and Rejected

No alternative options have been considered – to comply with the formal reporting mechanism.

Equality Implications: There are no equality implications.
Impact on Children and Young People: None
Climate Emergency Implications: The recommendations within this report will have a neutral impact. There are no direct climate implications arising from this report. Any climate implications arising from matter referred to in the Annual Report would have been contained in reports when they were presented to Members during the previous year; or will be contained in future reports during the forthcoming year.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD.....) and the Chief Legal and Democratic Officer (LD.....) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

Not Applicable

Implementation Date for the Decision:

Immediately following the Council meeting.

Contact Officer:	Amy Dyson
Telephone Number:	0151 934 2181
Email Address:	amy.dyson@sefton.gov.uk

Appendices:

The Annual Report of the Audit and Governance Committee 2023 – 2024 is attached as an appendix to this report.

Background Papers:

There are no background papers available for inspection.