

Report to	On
Governance Committee	Tuesday, 23 March 2021

Title	Report of
Governance Committee Effectiveness Review	Director of Governance and Monitoring Officer

Is this report confidential?	No
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### Purpose of the Report

1. To evaluate the Council's compliance with the Chartered Institute of Public Finance & Accountancy (CIPFA) guidance, "Audit Committees – Practical Guidance for Local Authorities and Police 2018".
2. To present a revised Terms of Reference for members' consideration.
3. To present details of the review of the self-assessment of good practice contained within the guidance.
4. To put forward proposals to address recommendations in relation to developing members' skills and knowledge.

### Recommendations

5. That the Committee:
  - (a) Notes the report;
  - (b) Considers the updated Terms of Reference prior to submission at full council for approval;
  - (c) Considers and comments on the self-assessment of good practice and the subsequent actions;
  - (d) Accepts the proposals in relation to developing members' skills and knowledge.

### Corporate outcomes

6. The report relates to the following corporate priorities: *(tick all those applicable)*:

An exemplary council	X	Thriving communities	
A fair local economy that works for everyone		Good homes, green spaces, healthy places	

## Background to the report

7. The purpose of the Governance Committee is to provide 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.
8. CIPFA have issued “Audit Committees – Practical Guidance for Local Authorities and Police 2018”. This sets out the functions, operations, roles and responsibilities of audit / governance committees in local authorities and represents best practice.
9. A key aspect of the guidance is evaluating and developing the Committee’s effectiveness. The guidance states that “the committee’s effectiveness should be judged by the contribution it makes to and the beneficial impact it has on the authority’s business. Evidence of effectiveness will usually be characterised as influence, persuasion and support. A good standard of performance against recommended practice, together with a knowledgeable and experienced membership are essential requirements for delivering effectiveness.”

## SELF ASSESSMENT OF GOOD PRACTICE

10. The guidance incorporates a Self-Assessment of good practice which has been completed and details of the assessment are included at **Appendix A**.
11. The self-assessment contains the following areas for improvement:

### TERMS OF REFERENCE

12. The CIPFA guidance incorporates a model terms of reference. A comparison with the current ToR was undertaken and identified that there are only minor amendments required and that the Governance Committee is already operating in line with the model terms of reference. The amendments are highlighted in red at **Appendix B**

### SKILLS & KNOWLEDGE

13. CIPFA’S guidance acknowledges that there is a range of knowledge and experience that Members can bring to the Committee to enable it to perform effectively. It emphasises that there are core areas of knowledge that are beneficial for all Committee Members to have.
14. Contained within the guidance, is a Knowledge and Skills framework, which allows Members to carry out a self-assessment and this is shown at **Appendix C**. The purpose of the self-assessment is to ensure that members are fully equipped to meet the requirements of the best practice guidance and terms of reference of the Committee.

**15.** It is the intention to issue this self-assessment to all Members of the committee in the coming weeks. The results will be collated by Internal Audit and shared with the Chair of the Governance and will be used to identify any specific training needs for the Committee and to inform the Member Development Programme in 2021-22 and beyond.

**16.** Other improvements identified for consideration include:

Self-Assessment	The self-assessment will be completed and be presented to the Governance Committee annually.
Independent Person	The Committee should consider the appointment of an independent person to support its work. The appointment of an independent person was also included in Sir Tony Redmond's review of financial reporting and auditing in local government, however at this stage, the recommendations are still under review and the guidance from CIPFA regarding the appointment of an independent person may change.
Feedback	A short survey will be developed by the Service Lead Audit and Risk in conjunction with the Chair and issued to key stakeholders to obtain feedback on the work of the Governance Committee.

## Background documents

Practical guidance for Local Authorities and Police 2018 edition

## Appendices

**Appendix A** Self-Assessment of Good Practice March 2021

**Appendix B** Revised Terms of Reference

**Appendix C** Skills and Knowledge self-assessment.

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