

ANGUS COUNCIL

SCRUTINY AND AUDIT COMMITTEE – 21 AUGUST 2018

CIPFA GUIDANCE FOR AUDIT COMMITTEES

**REPORT BY VIVIEN SMITH, HEAD OF STRATEGIC POLICY, TRANSFORMATION
AND PUBLIC SECTOR REFORM**

ABSTRACT

This report advises members that CIPFA has updated the publication Audit Committees – Practical Guidance for Local Authorities and Police. The guidance represents best practice for audit committee in local authorities throughout the UK.

1. RECOMMENDATIONS

It is recommended that the Committee:

- (i) note the revised guidance issued by CIPFA
- (ii) note that updated checklists from the revised guidance will form the basis for the 2018/19 Scrutiny & Audit Committee self-assessment
- (iii) note that a Word version of Appendix C to the guidance will be provided to facilitate assessment against the key knowledge and skills framework.

2. ALIGNMENT TO THE ANGUS LOCAL OUTCOMES IMPROVEMENT PLAN/CORPORATE PLAN

The work of the Scrutiny and Audit Committee supports the achievement of the corporate priorities set out in the Local Outcomes Improvement Plan and the Council Plan.

3. BACKGROUND

CIPFA's "Audit Committees – Practical Guidance for Local Authorities and Police" sets out CIPFA's guidance on the function and operation of audit committees in local authorities and police bodies, and represents best practice for audit committees in local authorities throughout the UK (and for police audit committees in England and Wales). A copy of the 2018 CIPFA Guidance has been posted in the Elected Members section of the Council's intranet.

The guidance, first published in 2013 has recently been reviewed and updated. The 2018 publication takes account of a number of significant developments in governance and audit practice, including:

- The new Delivering Good Governance in Local Government Framework (CIPFA/Solace 2016)
- Updates to the Public Sector Internal Audit Standards in 2016 and 2017
- The Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA 2016)

The guidance incorporates CIPFA's Position Statement: Audit Committees in Local Authorities and Police (2018) which sets out CIPFA's view of the role and functions of an audit committee and replaces the previous 2013 statement. The 2018 Position Statement is attached at Appendix 1.

4. PROPOSALS

The Scrutiny & Audit Committee's 2017/18 self-assessment, completed earlier this year was based on checklists from the 2013 CIPFA guidance. (Reports 135/18 and 207/18 refer.) The updated checklists from the 2018 guidance will form the basis of the 2018/19 self-assessment.

A Scrutiny & Audit Committee action plan was developed as part of the 2017/18 self-assessment. Action 1 is "Assess members against the core knowledge and skills framework. Address any skills/knowledge gaps identified". The CIPFA guidance includes a knowledge and skills framework at Appendix C. A Word version of the appendix will be provided to facilitate assessment against the framework.

5. FINANCIAL IMPLICATIONS

There are no financial implications arising directly from this report.

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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List of Appendices:

Appendix 1: CIPFA's Position Statement: Audit Committees in Local Authorities and Police (2018)