

## Agenda item 12

<b>AGS/08/21</b>	
<b>Report title:</b> Audit Committee Effectiveness Review – Annual Progress Update	
<b>Report to:</b> Audit, Governance and Standards Committee	
<b>Report author:</b> Paul Turner, Director, Legal and Assurance	
<b>Date:</b> 22 March 2021	<b>For:</b> Approval
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<b>County Divisions affected:</b> All Essex	

### 1. Purpose of Report

- 1.1 This report asks Committee to review and agree progress against the action plan produced following the effectiveness review undertaken in March 2020 and consider and approve the suggested approach to the skills and knowledge assessment process.

### 2. Recommendations

- 2.1 Note the progress against the action plan at set out in appendix 2.
- 2.2 Agree that the Skills and Knowledge Assessment should take place after the annual meeting of the Council in May 2021.
- 2.3 Agree to hold an AGS Members training workshop after the election to provide both induction for new members and refresher training for existing members.

### 3. Background

- 3.1 In March 2020 the Chartered Institute of Public Finance and Accountancy (CIPFA) were commissioned to support the AGS Committee to undertake a review of its effectiveness. This is in line with recommended practice.
- 3.2 Accordingly on 9 March 2020 a workshop took place facilitated by CIPFA. All members of the committee were invited and eight members attended. As a result an action plan has was produced that was adopted by the committee at its informal meeting on the 21 March 2020.
- 3.3 The Committee also committed to annually consider its effectiveness and to continue to reflect on its own performance.

## **4. Summary of Issue**

- 4.1 It is recognised best practice that Audit Committees should regularly review their effectiveness as a committee and their individual skills and knowledge. The CIPFA publication 'Audit Committees: Practical Guidance for Local Authorities and Police (2018 Edition)' provides a range of tools and checklists for committees to use to assess their effectiveness. (Appendix 1)
- 4.2 The AGS Committee, with support from CIPFA, carried out a review of its effectiveness in March 2020. As a result an action plan was produced and this has, in the main, been implemented. A full review of progress has been carried out is attached at appendix 2 for the committee to consider.
- 4.3 Only one matter included on the action plan remains outstanding, item four, 'undertake an annual skills and knowledge self-assessment to determine where skills and knowledge need to be enhanced on an annual basis'. It is proposed that this activity should be carried out after the annual meeting to allow any new members of the committee to participate.
- 4.4 The suggested approach to the skills and knowledge assessment is based on the appendix c of 'Audit Committees: Practical Guidance for Local Authorities and Police (2018 Edition)'. The proposed process is as follows:
- Questionnaires will be prepared based on the skills and knowledge requirements set out in Appendix C of CIPFA guidance.
  - AGS members will be asked to complete these questionnaires, assessing their own level of skill and knowledge in the subject area based on a 1-5 rating.
  - The Internal Audit Team will analyse the questionnaires to identify the areas where skills and knowledge need enhancement.
  - In conjunction with AGS committee members a training and development programme will be developed for the coming year starting with a training workshop to be held after the annual meeting.

## **5. Financial Implications**

- 5.1 It is likely that there will be an increased requirement for officer support to the committee but officers believe that this can be met within existing resources.

## **6. Legal Implications**

- 6.1 The Audit Committee is a key way in which the Council provides assurance that it is providing value for money and has proper systems of control. Without effective assurance Councillors will not know that the Council is effectively carrying out its statutory duties. Whilst the effectiveness review is not a legal requirement it seems a good idea in order to maximise the investment made by councillors into the work of the Committee.

## **7. Equality and Diversity Implications**

7.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when ECC makes decisions it must have regard to the need to:

- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not
- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation. Equality and diversity matters have been considered in the production of this report.

## **8. List of Appendices**

1. CIPFA Audit Committees: Practical Guidance for Local Authorities and Police (2018 Edition)
2. Updated action plan.

## **9. List of Background Papers**

None