CARDIFF COUNCIL
CYNGOR CAERDYDD

AUDIT COMMITTEE: 26 JUNE 2018

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AUDIT COMMITTEE SELF-ASSESSMENT 2017/18
ACTION PLAN AND FEEDBACK

REPORT OF CORPORATE DIRECTOR RESOURCES   AGENDA ITEM: 8.4

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Reason for this Report

1. The Audit Committee is required to report to Council annually on its performance in relation to the terms of reference and the effectiveness in meeting its purpose. The Audit Committee Self-Assessment on the 27 March 2018 represents the 2017/18 review.

2. The Audit Committee Annual Report to Council will contain the results of the Audit Committee Self-Assessment. It will be considered as part of Audit Committee agenda item 8.2.

Background

3. The Audit Committee Self-Assessment was conducted in a workshop format, applying methodology from the CIPFA, 'Audit Committees – Practical Guidance for Local Authorities and Police, 2013'.

4. The workshop comprised assessments of good practice, effectiveness and a follow up of the 2016/17 action plan. Officers from Internal Audit, Governance and Risk Management and the Wales Audit Office facilitated the workshop.

5. CIPFA have published an incremental update to their guidance following the Self-Assessment workshop. The updated wording is included in bold text within the appended assessments to assist Audit Committee in concluding the review.

Issues

6. The Audit Committee Self-Assessment reported a positive overall position from the reviews of 'good practice' and 'effectiveness'. The assessment results and existing action plan review have been used to develop eight areas for improvement, in Appendix A.

<u>Review of Good Practice</u>

7. The assessment of good practice is included in Appendix B. It includes the assessed scores from the Audit Committee workshop, of which:

    - Seventeen areas were assessed as 'fully in place'
    - Two areas were assessed as 'partly in place'
    - One area, was assessed as 'not in place'
    - Five areas are new, and have not been assessed to date (in bold text).

8. The area reported as 'not in place', related to the commended approach to assessing the Audit Committee against the CIPFA knowledge and skills framework.

9. The areas reported as 'partly in place', were in recognition of opportunities to communicate the role, purpose and work of the Audit Committee more widely, and to consider the full range of potential roles of the Audit Committee going forward.

Review of Effectiveness

10. The assessment of Audit Committee effectiveness used a 5-point rating scale, ranging from 'no evidence', to 'clear evidence' of the work and support of Audit Committee to delivering improvement in a range of areas. The full assessment key and results are included in Appendix C.

11. Of the nine areas reviewed:

   - Three areas were assessed at point 4, with clear evidence from some sources of the effective support for improvements
   - One area was assessed at point 2, reflecting the need to review governance and assurance in major projects and programmes and performance management
   - Five areas were assessed as having mixed experience and evidence of Audit Committee support.
   - There were no new assessment areas in the refreshed CIPFA guidance.

12. The Review has identified aspirational development opportunities for the financial year 2018/19 in the Audit Committee Action Plan.

Reason for recommendation

13. To enable the Audit Committee to approve an Action Plan for Audit Committee development.

Legal Implications

14.   There are no direct legal implications arising from this report.

Financial Implications

15.   There are no direct financial implications arising from this report.

Recommendation

16. Audit Committee to approve the Audit Committee Action Plan, reflecting on the results of the Self-Assessment workshop, and the CIPFA guidance update.

CHRISTINE SALTER
CORPORATE DIRECTOR RESOURCES

The following Appendices are attached:

Appendix A - Audit Committee Self-Assessment Action Plan
Appendix B - Good Practice Assessment, March 2018
Appendix C - Assessment of Effectiveness, March 2018