

Southend-on-Sea Borough Council

Agenda
Item No.

Report of the Executive Director (Finance and
Resources)

to

Audit Committee

on

15 January 2020

Report prepared by: Andrew Barnes, Head of Internal Audit

Audit Committee assessment and development update

A Part 1 Public Agenda Item

1. Purpose of Report

- 1.1 To update the Audit Committee on the assessment and development plans in respect of the Audit Committee.

2. Recommendations

- 2.1 **The Audit Committee members complete the skills stocktake form emailed to them on 20 December and reserve the date of the Audit Committee training session that will take place at 18.30 on 23 March 2020.**

3. Audit Committee assessment

- 3.1 CIPFA's 'Audit Committees: Practical Guidance for Local Authorities and Police' (2018) outlines that it is good practice for the Audit Committee to periodically assess its effectiveness and then take steps to deliver improvement. Part of this is ensuring that the Committee has the appropriate knowledge and experience, skills and competencies to deliver its responsibilities effectively.
- 3.2 For that reason we are undertaking the skills and knowledge stocktake, so that we can gauge the position of the current Audit Committee and where additional support may be required.
- 3.2 **Appendix 1** sets out skills stocktake that has been distributed to all Members and substitutes for completion, the results of which will be used to help inform the training to be provided on 23 March.

5. Reasons for Recommendations

- 5.1 **The purpose of the Audit Committee is to provide independent assurance on the adequacy of the risk management framework, the internal control environment, oversee the integrity of the financial reporting and annual governance processes and to oversee internal and external audit. Therefore it needs a combined membership that is appropriately skilled to deliver this purpose.**

6. Corporate Implications

6.1 Contribution to the Southend 2050 Road Map

Audit work provides assurance and identifies opportunities for improvements that contribute to the delivery of all Southend 2050 outcomes and the Audit Committee have a role to play to obtain assurance about the effectiveness of that audit work.

6.2 Financial Implications

An effective Audit Committee contributes to the assurance provided to the Council about the effectiveness of financial arrangements.

6.3 Legal Implications

The Accounts and Audit Regulations 2015 require the Council to operate an internal audit function and the Audit Committee have a role to play to obtain assurance about the effectiveness of that audit work.

6.4 People Implications

None identified.

6.5 Property implications

None identified.

6.6 Consultation

The approach to undertaking the skills stocktake and the form itself was agreed with Chair of the Audit Committee and the Executive Director (Finance and Resources).

6.7 Equalities and Diversity Implications

None identified.

6.8 Risk Assessment

Failure to operate a robust assurance process (which incorporates the internal audit function) increases the risk that there are inadequacies in the internal control framework that may impact of the Council's ability to deliver its corporate aims and priorities.

6.9 Value for Money

None identified.

6.10 Community Safety Implications

None identified.

6.11 Environmental Impact

None identified.

7. Background Papers

- The Accounts and Audit Regulations 2015
- UK Public Sector Internal Audit Standards
- CIPFA: Local Government Application Note for the UK Public Sector Internal Audit Standards

8. Appendices

Appendix 1 Audit Committee skills stocktake form

