



WEST OXFORDSHIRE
DISTRICT COUNCIL

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Name and date of Committee	AUDIT AND GOVERNANCE COMMITTEE – 19 MARCH 2024
Subject	AUDIT AND GOVERNANCE COMMITTEE EFFECTIVENESS REVIEW
Wards affected	None
Accountable member	Councillor Carl Rylett, Chair of Audit and Governance Committee Email: Carl.Rylett@westoxon.gov.uk
Accountable officer	Madhu Richards, Chief Finance Officer Email: Madhu.Richards@westoxon.gov.uk Andrea McCaskie, Monitoring Officer Email : Andrea.McCaskie@westoxon.gov.uk
Report author	Lucy Cater, Head of Internal Audit. Assistant Director, SWAP Internal Audit Services Email: Lucy.Cater@swapaudit.co.uk
Summary/Purpose	To present a summary of the findings / conclusions resulting from the AC Effectiveness Survey responses
Annexes	Annex A – Knowledge & Understanding, Skills and Abilities Responses Annex B – Supplementary Question Responses
Recommendation(s)	That the Audit and Governance Committee recommends to Council: <ol style="list-style-type: none">1. A reduced Audit and Governance Committee to 11 Councillors.2. A recruitment exercise for up to 2 Independent Persons.3. No Members of the Executive to sit on Audit and Governance Committee.4. A programme of training is developed to ensure Members of the Audit and Governance Committee are able to discharge their responsibilities confidently.
Corporate priorities	Internal Audit supports all Council Corporate Priorities

	<ul style="list-style-type: none"> • Putting Residents First • A Good Quality of Life for All • A Better Environment for People and Wildlife • Responding to the Climate and Ecological Emergency • Working Together for West Oxfordshire
Key Decision	NO
Exempt	NO
Consultees/ Consultation	Not Applicable

I. BACKGROUND

At its meeting of 23rd November 2023, the Audit and Governance Committee received a paper from the Monitoring Officer and Head of Internal Audit, in respect of Effective Audit Committees and received a copy of CIPFA's Position Statement on Audit Committees in Local Authorities (2022).

The Committee agreed to undertake a self-assessment based on the CIPFA Toolkit(s) to identify knowledge gaps, training needs etc. Three additional questions were added based on CIPFA recommendations, about size and structure of the Audit and Governance Committee.

2. MAIN POINTS

Eleven Members, of the Audit and Governance Committee, completed the survey, along with three non Audit and Governance Members.

The key areas included in the survey were:

- Organisational knowledge
- Audit committee role and functions
- Governance
- Internal audit
- Financial management and reporting
- External audit
- Risk management
- Counter fraud
- Values of good governance
- Treasury management

Furthermore, Members were asked about their skills e.g professional qualifications, previous committee experience and whether they feel able to challenge, evaluate data etc

The three additional questions added to the survey were:

- CIPFA's suggested size of an Audit Committee is between 6 and 8 Members. Audit and Governance Committee currently has 17 Members. What is your opinion on the size of the Audit and Governance Committee and does it hinder your ability to contribute to discussions?
- CIPFA recommends that Independent Members (not Councillors) who have knowledge and experience of Audit are introduced to the Audit and Governance Committee? What is your view on this?

- CIPFA discourages Executive Members sitting on the Audit Committee. What is your view on this?

Summary of Findings

Key Areas

Overall the majority of Members on the Audit and Governance Committee, that responded to the survey, have some or a good familiarity and knowledge of the role / functions of the Audit and Governance Committee and how it fits into the Governance of the Council. Although there are some specific areas e.g. Seven Principles, role of External Audit, Fraud Risk Management and Treasury Management where training would be beneficial to the whole Committee.

Skills

The responses to this section have highlighted potential gaps in the knowledge base of the Current Committee as no Member currently on the Audit and Governance Committee has a Professional Internal Audit Qualification or Risk Management Qualification.

Ability

The responses to this section show that Members, in the main, feel able to confidently contribute to Audit and Governance Meetings and challenge where necessary.

Additional Questions

Size of the Audit Committee

Of the 13 responses we received to this question, 9 of the respondents commented that the current size of the Audit and Governance Committee was too big, difficult for everyone to contribute and agreed a reduced number would be good.

Independent Members (Not Councillors)

Of the 14 responses to this question, 13 of the respondents supported the introduction of Independent Members to the Committee. The introduction of Independent Members should ensure any gaps in skills / knowledge are filled.

Executive Members

Of the 14 responses to this question, 9 of the respondents agreed that Members of the Executive should not be on the Audit and Governance Committee.

3. RECOMMENDATIONS

1. The size of the Committee is reduced to 11 Councillors.
2. Up to 2 Independent Members (not Councillors) are recruited to the Audit and Governance Committee.
3. Members of the Executive are excluded from sitting on the Committee.
4. A programme of training is developed to ensure Members of the Audit and Governance Committee are able to discharge their responsibilities confidently.

4. ALTERNATIVE OPTIONS

Not Applicable

5. FINANCIAL IMPLICATIONS

None

6. LEGAL IMPLICATIONS

None

7. RISK ASSESSMENT

If the recommendations are not supported there is a risk that Audit and Governance Committee will be non-compliant with CIPFA's Position Statement on Audit Committees in Local Authorities (2022).

8. EQUALITIES IMPACT

Not Applicable

9. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

9.1 Not Applicable

10. BACKGROUND PAPERS

10.1 The following documents have been identified by the author of the report in accordance with section 100D.5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1(a) for inspection by members of the public:

- Internal Audit Reports

10.2 These documents will be available for inspection online at www.westoxon.gov.uk or by contacting democratic services democratic.services@westoxon.gov.uk for a period of up to 4 years from the date of the meeting.

(END)