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CI. NUMBERED 2.1, 2.2 ETC.

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**REPORT OF THE EXECUTIVE MANAGEMENT TEAM TO THE
AUDIT & STANDARDS COMMITTEE**

Date 3 July 2017

HEADING Review of the Effectiveness of the Audit Committee

Submitted by: Head of Audit & Elections

Portfolio Finance, IT and Customer

Ward(s) affected All

Purpose of the Report

In order to demonstrate that the Council has good governance and as part of providing evidence to support the Annual Governance Statement, the Council needs to demonstrate that it has an effective Audit Committee. An assessment has been completed on the effectiveness of the Audit Committee for 2016/17 and the results are summarised within this report.

Recommendations

A That the report outlining the findings from the review of the effectiveness of the Audit Committee for 2016/17 be noted.

Reasons

That members agree with the findings of the review which concludes that the effectiveness of the Audit Committee during 2016/17 can be relied upon when considering the Annual Governance Statement.

1. **Background**

- 1.1 In accordance with the Accounts and Audit (Amendment) (England) Regulations 2015 the Council is required to undertake an annual review of its governance arrangements, which involves the production of an Annual Governance Statement. In producing this statement various forms of assurance are gathered one of which is giving an assurance on the effectiveness of its Audit Committee.
- 1.2 This review of the effectiveness of the Council's Audit Committee is undertaken annually.
- 1.3 To assess the effectiveness of the Audit Committee the Head of Audit & Elections in consultation with the Chair and Vice Chair of the Committee has completed and formulated a file of evidence in accordance with the CIPFA Checklist for 'Measuring the Effectiveness of the Audit Committee'.

2. **Issues**

- 2.1 The results of this self-assessment are outlined in Appendix A, the supporting file of evidence has been collated and a copy is available in the Members' area on the intranet.

Classification: NULBC **UNCLASSIFIED**

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- 2.2 The results of the self assessment show that the Audit Committee **is effective** and can be relied upon when considering the Annual Governance Statement for 2016/17

3. **Options Considered** (if any)

Not to complete a self assessment would be in breach of the legislation already outlined in the background.

4. **Proposal**

The completed checklist against the self assessment together with the results has been included as Appendices to this report.

5. **Reasons for Preferred Solution**

The adoption of 'good practice' processes and procedures contributes to reducing risks and liabilities to the Council.

6. **Outcomes Linked to Corporate Priorities**

An effective Audit Committee means that the Authority can place reliance on the assurances of the systems of internal control. If controls are operating effectively the potential for fraud and corruption is reduced. There is also an assurance that resources are being used efficiently and effectively.

7. **Legal and Statutory Implications**

Under the Accounts and Audit Regulations 2015 the Council is required to undertake an annual assessment of the effectiveness of its Audit Committee.

8. **Equality Impact Assessment**

There are no differential equality impact issues identified from this proposal.

9. **Financial and Resource Implications**

There are no financial implications identified from this proposal.

10. **Major Risks**

- 10.1 If the Authority does not maintain an effective Audit Committee, reliance cannot be placed on the adequacy of the internal controls operating throughout the Authority.

11. **Key Decision Information**

Not applicable

12. **Earlier Cabinet/Committee Resolutions**

Not applicable

13. **List of Appendices**

Appendix A Completed Self Assessment CIPFA checklist – Measuring the effectiveness of the Audit Committee

14. **Background Papers**

File of evidence compiled against the CIPFA Code of Practice Checklist