

<b>SUBJECT:</b>	<b>AUDIT COMMITTEE AND INTERNAL AUDIT REVIEW OF EFFECTIVENESS</b>
<b>DIRECTORATE:</b>	<b>CHIEF EXECUTIVE AND TOWN CLERK</b>
<b>REPORT AUTHOR:</b>	<b>JOHN SCOTT, AUDIT MANAGER</b>

## 1. Purpose of Report

- 1.1 To provide information on the review of effectiveness for the Audit Committee and Internal Audit and obtain agreement in terms of the composition of a review group.

## 2. Executive Summary

CIPFA has recently updated guidance for Audit Committees and a Local Government practice note is also awaited for revised Internal Audit Standards. As a result the Audit Committee terms of reference have been revised which is subject to a separate Committee report in July 2018. Reviews of effectiveness should also be undertaken for both the Audit Committee and Internal Audit against terms of reference, standards and guidance.

## 3. Background

- 3.1 CIPFA's 2018 guidance on the function and operation of audit committees in local authorities and police bodies, represents best practice for audit committees in local authorities throughout the UK and for police audit committees in England and Wales. This replaces the previous 2013 Position Statement.
- 3.2 Internal Audit were subject to a formal external assessment against audit standards in October 2016, however it is still good practice to undertake a periodic internal review of effectiveness.

## 4. Review

- 4.1 It is suggested that a review group is formed in September consisting the Chair, Vice Chair and Independent member, plus any other member who may wish to be included. The Chief Financial Officer and Audit Manager will also assist. This review group will report back to the Committee in December 2018.

## 5. Organisational Impacts

- 5.1 Finance (including whole life costs where applicable)

There are no direct financial implications

5.2 Legal Implications including Procurement Rules

The review of effectiveness aids compliance with the Accounts and Audit Regulations

**6 Recommendation**

6.1 Members agree on the composition of the review group.

**Is this a key decision?** No

**Do the exempt information categories apply?** No

**Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?** No

**How many appendices does the report contain?** None

**List of Background Papers:** None

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