

Audit and Standards Committee Report

Title of Report:	Audit Committee Resources and Training
Date of Decision:	19 September 2024
Report To:	Audit and Standards Committee
Report Of:	Philip Gregory, Director of Finance and Commercial Services/Local Authority Section 151 Officer
Report Author:	Clair Sharratt, Senior Finance Manager, Finance and Commercial Services
Executive Summary:	Provide the Committee with the latest guidance to support Audit Committees and outline further training options for Committee members.

Recommendations:

The Audit and Standards Committee is asked to read and adopt the CIPFA Position Statement on Audit Committees and agree a training programme to support Members of the Committee with their role.

Does the report contain confidential or exempt information? No



Financial Implications: No

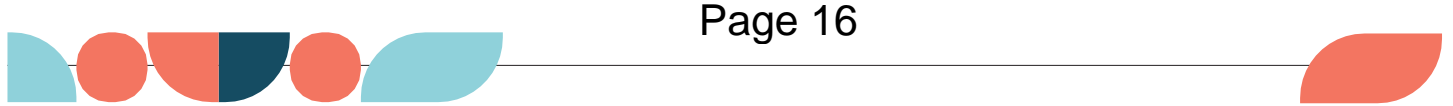
Legal Implications: No

Equality and Inclusion Implications: No

Climate Change Implications: No

Background Papers: None

Appendices: None



Purpose of the Report

1. The purpose of this report is to outline the recommended guidance documents that are available to support Local Authority Audit Committees and inform Audit Committee members of the resources and training available to assist them in their role.
2. Also proposed is an initial programme of Audit Committee training, with options for courses and planned, bespoke training, for new and existing members of the Committee.
3. This paper covers the function of, and training relating to, the Audit Committee. The additional role of the Committee for Standards is not included.

Guidance for Audit Committees

4. The role of the audit committee is to provide independent assurance around risk management, internal control, annual governance reporting and financial reporting. To assist the Committee with its functions, there is published guidance available.
5. The Chartered Institute of Public Finance and Accountancy (CIPFA) is the public finance accountancy body. It produces the public sector-wide financial Codes of Practice, together with sector-specific policy and guidance in many areas, including governance.
6. In 2022 CIPFA published a *Position Statement on Audit Committees* for Local Government, which sets out the role and responsibilities of Audit Committees, together with principles for good practice. This statement was endorsed in 2022 by the Department of Levelling Up and Communities and is adopted each year by the Audit and Standards Committee (27 July 2023) as the model the Committee will work to. A full copy of the statement is appended to this report.
7. More recently, CIPFA has developed further, detailed guidance to support the Position Statement, *Audit Committees: Practical Guidance for Local Authorities and Police* (October 2022) comprising guidance directed at Members, *The Audit Committee Member in a Local Authority*, and supplementary guidance for officers who support Audit Committees, *Guiding the Audit Committee*. A copy of the Members guidance will be circulated to members of the Committee.
8. CIPFA advises that these publications cover the core functions of Audit Committees, including relevant legislation and professional standards that the members should be aware of, a framework to support the appointment, training and development of audit committee members, and self-assessment resources /

toolkits to enable self-evaluation and improvement.

Audit Committee Training

9. The CIPFA Position Statement requires that there is appropriate training available to members of Audit Committees. In addition to the CIPFA guidance to be provided, it is proposed that a programme of recommended training be agreed by the Committee, including introductory training to cover the role of Audit Committees and then more specific courses on key responsibilities including risk management, and understanding financial statements, to prepare members to give assurance in signing the Council's annual Statement of Accounts.
10. Proposed training for 2024/25:

- Introduction to the Knowledge and Skills of the Audit Committee (CIPFA)

Webinar: Thursday 26 September, 10am-4pm

Link: [Intro to the Knowledge and Skills of the Audit Committee | CIPFA](#)

The workshop includes:

- *briefings on the latest guidance to keep audit committee members up-to-date*
- *guidance on the knowledge and skills audit committees should have, featuring practical examples*
- *in-depth discussion on the audit committee role in relation to internal audit, risk management and assurance*
- *discussion and guidance on overcoming the barriers to audit committee excellence*

- Understanding Local Authority Accounts for Councillors (CIPFA)

Half day webinar: next date to be confirmed

Link: [Councillors Guide To Understanding Local Authority Accounts | CIPFA](#)

Workshop to provide local authority elected members with greater insight into the financial reporting requirements of their authority, giving them the knowledge and confidence to deliver effective engagement, scrutiny and challenge of the Statement of Accounts as part of their overall governance role. The workshop also considers the latest developments in local authority accounting and how that might impact on the financial statements that members are required to approve.

- Reviewing the Financial Statements Effectively (bespoke for Sheffield City Council – independent, external trainer)

Half day webinar: December? (linked to the external audit timetable for the 2023/24 Statement of Accounts)

The webinar includes:

- *A brief overview of the law, rules and regulations surrounding the financial statements*
- *How to read the Statement of Accounts for your authority and what to look for*
- *How to effectively question and challenge officers and auditors to gain assurance*
- *Topical issues*

- Risk Management (bespoke for Sheffield City Council – independent, external training)

Webinar or in person: date to be agreed

The training is aimed at all members and intended to cover the basics of risk management, its application at the authority and share good practice. The aim is to establish a common baseline across the organisation from which the principles of risk management can be utilised to aid the organisation in its development and decision making.

- Member Finance Briefing

In-house / online briefing (December 2023), recording available.

Finance briefing on Local Government finances, delivered by the Council's Finance & Commercial Services team as part of the induction process for new Members, and available to all Members.

Link to the recording to be circulated.

- Treasury Management

Online briefing: autumn date.

Delivered by the Council's Treasury Advisors to provide guidance to Members on the Council's Treasury Management position, legislation and wider economic context. Available to all Members.

- An Introductory Guide to Local Government Finance (CIPFA)

Publication: *This introductory guide addresses the basic questions*

regarding how money flows, how budgets are set and where it is spent in local government. This guide is aimed at helping local councillors, those working with and for local councils, and anybody with an interest in the sector to understand the complexity of local government finance. The guide covers revenue and capital financing, financial reporting, governance and auditing as well as giving an overview of some of the key services provided by local councils.

Publication to be circulated.

- Local Government Association: Councillor Workbook – Local Government Finance & Councillor Workbook – Scrutiny of Finance

Publications: Recommended learning aids for all Members to assist understanding of how local government is funded and legal and best practice requirements in managing your Council's financial affairs.

Publications / links to be circulated.

- E-Learning Platform for Councillors (Local Government Association)

Link: [Councillor hub | Local Government Association](#)

This free resource provided by the Local Government Association offers e-learning modules on a variety of topics designed for Members, including Audit Committee related content. Bespoke in-house courses can also be purchased.

11. Please book courses by emailing clair.sharratt@sheffield.gov.uk.
12. Further training for 2024/25 identified by the Committee, either current bookable courses or bespoke training designed for Sheffield, can also be arranged.

Financial Implications

13. There are no direct financial implications arising from the recommendations in this report.

Equal Opportunities Implications

14. There are no specific equal opportunities implications arising from the



recommendations in this report.

Property Implications

15. There are no property implications arising from the recommendations in this report.

Recommendations

16. The Audit and Standards Committee is asked to endorse the Position Statement from CIPFA on the role and function of Audit Committees in Local Government and continue to adopt the principles as set out in the statement.
17. The Audit and Standards Committee is asked to approve recommended training for Members of the Committee and consider the Committee's future training requirements.

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