



## Audit and Standards Committee Report

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**Report of:** Tony Kirkham  
Director of Finance and Commercial Services  
Local Authority Section 151 Officer

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**Date:** 27 July 2023

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**Subject:** Role of the Audit Committee and Training

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**Author of Report:** Clair Sharratt  
Senior Finance Manager  
Finance and Commercial Services

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**Summary:** Update the Committee on the latest guidance to support the CIPFA *Position Statement on Audit Committees* and outline further training options for Committee members.

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**Recommendations:** The Audit and Standards Committee is asked to read and have regard to the CIPFA Position Statement and guidance and agree a forward training programme to support Members of the Committee with their role.

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**Background Papers:** None

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**Category of Report:** OPEN

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## Statutory and Council Policy Checklist

<b>Financial Implications</b>
NO
<b>Legal Implications</b>
NO
<b>Equality of Opportunity Implications</b>
NO
<b>Tackling Health Inequalities Implications</b>
NO
<b>Human Rights Implications</b>
NO
<b>Environmental and Sustainability implications</b>
NO
<b>Economic Impact</b>
NO
<b>Community Safety Implications</b>
NO
<b>Human Resources Implications</b>
NO
<b>Property Implications</b>
NO
<b>Area(s) Affected</b>
None
<b>Relevant Scrutiny Committee if decision called in</b>
Not applicable
<b>Is the item a matter which is reserved for approval by the City Council?</b>
NO
<b>Press Release</b>
NO

# REPORT TO SHEFFIELD CITY COUNCIL AUDIT AND STANDARDS COMMITTEE – 27 JULY 2023

## ROLE OF THE AUDIT COMMITTEE AND TRAINING

### Purpose of the Report

1. The purpose of this report is to update the Committee following the release in 2022 of the *Position Statement on Audit Committees* for Local Government from the Chartered Institute of Public Finance and Accountancy (CIPFA) and share the latest published guidance developed for Members to support the statement.
2. This report also proposes a programme of Audit Committee training as recommended in the statement, with options detailed for courses and resources available to support new and existing members of the Committee with their role.
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.

### CIPFA Guidance for Audit Committees

4. 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.
5. In 2022 CIPFA published a revised *Position Statement on Audit Committees* for Local Government, setting out the role and responsibilities of Audit Committees, together with principles for good practice. The statement was endorsed at the 28 July 2022 Audit and Standards Committee. A full copy of the statement is appended to this report.
6. Since then, CIPFA has developed further 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 issued electronically to members of the Committee prior to the meeting.
7. CIPFA states that the 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 resources to enable self-evaluation and improvement.

## Audit Committee Training

8. The CIPFA Position Statement requires that there is appropriate training available to members of Audit Committees. It is proposed that a programme of essential and recommended training be agreed by the Committee, including introductory training to cover the role of Audit Committees and then more specific courses on key topics including risk management, and understanding financial statements, to prepare members to give assurance in signing the Council's Statement of Accounts.
9. Proposed training for 2023/24:

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

Webinar: latest 17 July 2023, next bookable date to be confirmed / can arrange in-house training for Sheffield.

*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)  
**Essential**

Half day webinar: Thursday 24 August 2023 9.30am-1pm

Link: <https://www.cipfa.org/training/u/understanding-local-authority-accounts-for-councillors-20230824-london>

*The workshop will benefit all local authority elected members charged with governance responsibilities for approving their authority's accounting statements for 2022/23, regardless of the level of knowledge and previous experience in this role.*

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

Half day webinar: date to be confirmed (linked to the external audit timetable for

the 2022/23 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) **Essential**

Webinar or in person: date to be confirmed

*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.*

*The session will cover:*

- *Risk Management Principles*
- *The organisations Risk Management Framework*
- *The organisations Risk Management Cycle review*
- *Examples of best practice*

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

<https://www.local.gov.uk/our-support/leadership-workforce-and-communications/councillor-development/councillor-e-learning>

*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.*

- New Member Finance Briefing **Recommended**

In-house / online, date to be confirmed

*Finance briefing on Local Government finances, delivered by Finance & Commercial services as part of the induction process for new Members.*

10. Please book courses by emailing [clair.sharratt@sheffield.gov.uk](mailto:clair.sharratt@sheffield.gov.uk).
11. Further training for 2023/24 identified by the Committee, either current bookable courses or bespoke training designed for Sheffield, can also be arranged.

### **Financial Implications**

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

### **Equal Opportunities Implications**

13. There are no specific equal opportunities implications arising from the recommendations in this report.

### **Property Implications**

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

### **Recommendations**

15. The Audit and Standards Committee is asked to note the Position Statement from CIPFA on the role and function of Audit Committees in Local Government, continue to adopt the principles as set out in the statement, and have regard to the recently published supporting guidance, *The Audit Committee Member in a Local Authority*.
16. The Audit and Standards Committee is asked to approve essential and recommended training for Members of the Committee and consider the Committee's future training requirements.