

## Self-assessment of good practice

This evaluation will support an assessment against recommended practice to inform and support the Audit Committee. This is a high-level review that incorporates the key principles set out in CIPFA's Position Statement: Audit Committees in Local Authorities and Police. Where an Audit Committee has a high degree of performance against the good practice principle's then it is an indicator that the Committee is soundly based and has in place knowledgeable membership. These are essential factors in developing an effective Audit Committee.

	<b>Good Practice Questions</b>	<b>Yes</b>	<b>Partly</b>	<b>No</b>
	<b>Audit Committee purpose and governance</b>			
1	Does the authority have a dedicated Audit Committee?	√		
2	Does the audit Committee report directly to full council?	√		
3	Do the terms of reference clearly set out the purpose of the Committee in accordance with CIPFA's position statement?	√		
4	Is the role and purpose of the Audit Committee understood and accepted across the authority?	√		
5	Does the Audit Committee provide support to the authority in meeting the requirements of good governance?	√		
6	Are the arrangements to hold the Committee to accounts for its performance operating satisfactorily?	√		
	<b>Functions of the Committee</b>			
7	Do the Committee's terms of reference explicitly address all the core area identified in CIPFA's position statement? <ul style="list-style-type: none"> <li>- Good governance</li> <li>- Assurance framework</li> <li>- Internal audit</li> <li>- External audit</li> <li>- Financial reporting</li> <li>- Risk management</li> <li>- Value for money or best value</li> <li>- Counter fraud and corruption</li> </ul>	√		
8	Is an annual evaluation undertaken to assess whether the Committee is fulfilling its terms of reference and that adequate consideration has been given to all core areas?	√		
9	Has the audit Committee considered the wider areas identified in CIPFA's position statement and whether it would be appropriate for the Committee to undertake them?	√		
10	Where coverage of core areas has been found to be limited, are plans in place to address this?	N/a		

11	Has the Committee maintained its non-advisory role by not taking on any decision-making powers that are not in line with its core purpose?	√		
<b>Membership and support</b>				
12	Has an effective Audit Committee structure and composition of the board been selected? This should include: - Separation from the executive - An appropriate mix of knowledge and skills among the membership - A size of Committee that is not unwieldy - Where independent members are used, that they have been appointed using appropriate process	√		
13	Does the chair of the Committee have appropriate knowledge and skills?	√		
14	Are arrangements in place to support the Committee with briefings and training?		√	
15	Has the membership of the Committee been assessed against the core knowledge and skills framework and found to be satisfactory?		√	
16	Does the Committee have good working relationships with key people and organisations, including external audit, internal audit and the chief finance officer?	√		
17	Is adequate secretariat and administrative support to the Committee provided?	√		
<b>Effectiveness of the Committee</b>				
18	Has the Committee obtained feedback on its performance from those interacting with the Committee or relying on its work?	√		
19	Has the Committee evaluated whether and how it is adding value to the organisation?	√		
20	Does the Committee have an action plan to improve any areas of weakness?	√		

**Partly:**

Question 4 has been recorded as partly because understanding of the role and purpose of the Committee is considered to be adequate, but it is felt that the Committee could engage Councillors following local elections to ensure the importance, role and value of the Audit Committee is enhanced. Update March 2021 – A reminder email will be sent to all members re the difference between O&S and GRAC but this has now moved to yes.

Question 14 & 15. Following the results of the local elections. Audit and Risk Committee members will be assessed against the CIPFA Core Knowledge and Skills Framework. Any areas for further training will be identified and a programme developed for new members where required. Skills and Knowledge Matrix to be circulated to members again March 2021.

## Evaluating the Effectiveness of the Audit Committee

This assessment tool helps Audit Committee members to consider where it is most effective and where there may be scope to do more. To be considered effective, the Audit Committee should be able to identify evidence of its impact or influence linked to specific improvements.

Assessment Key:

- 5 Clear evidence is available from a number of sources that the Committee is actively supporting the improvement across all aspects of this area. The improvements made are clearly identifiable.
- 4 Clear evidence from some sources that the Committee is actively and effectively supporting improvement across some aspects of this area.
- 3 The Committee has had mixed experience in supporting improvement in this area. There is some evidence that demonstrates their impact but there are also significant gaps.
- 2 There is some evidence that the Committee has supported improvements, but the impact of this support is limited.
- 1 No evidence can be found that the audit Committee has supported improvements in this area.

Areas where the audit Committee can add value by supporting improvement	Self-evaluation examples, areas of strength & weakness	Assessment 1-5
1. Promoting the principles of good governance and their application to decision making	<p>Effective scrutiny through receipt of internal audit reports quarterly where enough detail is provided for the Governance Risk and Audit Committee to evaluate the adequacy of the governance framework. Annual completion of self-assessment to evaluate effectiveness of governance processes of the Committee.</p> <p>The Committee's independence strengthens their effectiveness and cross-party working is displayed at meetings.</p>	4

2. Contributing to the development of an effective control environment	Half yearly follow up reports are provided to the to show progress against completion of audit recommendations. The committee looks at responses from management and evaluates performance by questioning recommendation responses thoroughly.	4
3. Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks	<p>The corporate risk register is now reviewed at each meeting and effective scrutiny of strategic risks faced by the Council takes place.</p> <p>Risk management framework reviewed bi-annually.</p> <p>The Committee examines the financial accounts and risks associated. Every report received by the Committee includes a commentary regarding risks.</p>	4
4. Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively	The Committee reviews and approved the risk based internal audit plan of work to ensure that coverage is sufficient. The Committee takes an active role in reviewing progress against follow up, progress against delivery of the internal audit plan, corporate risk register and External Audits plan of work.	4
5. Supporting the quality of the internal audit activity, particularly by underpinning its organisational independence	Internal audit plans report includes the audit charter and audit strategy which covers these areas. The Head of Internal Audit and Internal Audit Manager have a direct line to the Chair of the Committee to allow confidential matters to be discussed.	5
6. Aiding the achievement of the authority's goals and objectives through helping to ensure appropriate governance, risk, control and assurance arrangements	This is achieved by reviewing the reports received by the Committee on governance risk and control and the annual governance statement, internal audit opinion. The Committee has commissioned Internal Audit work to strengthen controls which impact on the delivery of Council objectives.	4

<p>7. Supporting the development of robust arrangements for ensuring value for money</p>	<p>The Committee reviews the External Audit plan of value for money and the auditing thereof. It has a key role in reviewing the statement of accounts and ensuring value for money through this report. Key role in reviewing the annual governance statement and the assurances provided therein.</p> <p>Committee now has authority to approve the Statement of Accounts as per the Terms of Reference, thus ensuring that value can be added by the Committee.</p>	<p>4</p>
<p>8. Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks</p>	<p>Counter Fraud, Corruption and Bribery Strategy, Whistleblowing and Money Laundering Policy received and reviewed by the Committee in Council in December 2018.</p>	<p>4</p>
<p>9. Promoting effective public reporting to the authority's stakeholders and local community and measures to improve transparency and accountability</p>	<p>Minutes and agenda available on the website. Public are invited to audit committee meetings.</p> <p>Open and transparent reporting is displayed.</p> <p>Officer support is provided to the Committee in terms of democratic services officers and report authors.</p> <p>Decisions made by the Committee are within their remit and as part of terms of reference.</p>	<p>4</p>