

# Eastern Internal Audit Services



## North Norfolk District Council

### Audit and Risk Committee Self-Assessment

Responsible Officer: Faye Haywood, Internal Audit Manager Broads Authority

## 1. Introduction

- 1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) advocates that it is good practice for Audit Committees, or their equivalent, to undertake regular assessments. Thus, enabling members to gain an appreciation of what affords best practice, to confirm the level of compliance being achieved, and to identify any potential areas for enhancements to be made to arrangements.

## 2. Background

- 2.1 The CIPFA document “audit committees – practical guidance for local authorities and police” sets out the guidance in the function and operations of audit committees. It represents CIPFA’s view of best practice and incorporates the position statement previously issued.
- 2.2 The guidance states “the purpose of an audit committee is to provide those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes”.
- 2.3 The Section 151 Officer has overarching responsibility for discharging the requirements for sound financial management, and to be truly effective requires an audit committee to provide support and challenge.
- 2.4 Good audit committees are characterised by;
- balanced, objective, independent, knowledgeable and properly trained members;
  - a membership that is supportive of good governance principles;

- a strong independently minded Chair;
- and unbiased attitude; and
- ability to challenge when required.

- 2.5** It is therefore good practice to complete a regular self-assessment exercise against a checklist, to be satisfied that the committee is performing effectively. In addition, the Public Sector Internal Audit Standards (PSIAS) also call for the committee to assess their remit and effectiveness in relation to; “Purpose, Authority and Responsibility”, to facilitate the work of this committee.
- 2.6** The Governance Risk and Audit Committee carries out this exercise annually.
- 2.7** The first part of the assessment is a yes / no response and covers:
- Purpose and Governance;
  - Functions of the Committee;
  - Membership and Support; and
  - Effective of the Committee.
- 2.8** The second part of the assessment requires an assessment as to how the committee displays it is effective through the reports it receives, and is broken down into the following key areas:
- Promoting the principles of good governance and their application to decision making;
  - Contributing to the development of an effective audit committee;
  - Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks;
  - Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively;
  - Supporting the quality of the internal audit activity, particularly by underpinning its organisational independence;
  - Aiding the achievement of the authority’s goals and objective through helping to ensure appropriate governance, risk, controls and assurance arrangements;
  - Supporting the development of robust arrangements for ensuring value for money; and
  - Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks.

### **3. Current Position/Findings**

- 3.1** The self-assessment checklist has been reviewed and updated with the Committee at a meeting held 26 March 2019, the conclusions of which can be seen at **Appendix 1** to this report.

### **4. Proposals**

- 4.1** The committee are requested to review the checklist at **Appendix 1** to ensure that this is an accurate reflection of the operations of the committee and to note any action that needs to be taken as a result of the conclusions.

## **5. Risks and implications arising**

5.1 Not applicable to this report.

## **6. Recommendation**

6.1 The committee is requested to note the attached checklist at **Appendix 1** to this report, and either (a) confirm that full compliance has been recognised in relation to each of the areas subject to scrutiny or (b) note action required to ensure full compliance.

**Appendix 1 – Governance Risk and Audit Committee Self-Assessment**