

Audit & Accounts Committee – Self Assessment 2019/20

Purpose

- 1.1 A well-functioning Audit Committee is regarded as key to helping its organisation to achieve good corporate governance
- 1.2 An Audit Committee should regularly assess its own performance – and the adequacy of its terms of reference, work plans, forums of discussion and communication – with a view to highlighting skills and/or knowledge gaps and identifying areas in which the committee and its processes might be more effective.
- 1.3 The most appropriate method by which an Audit Committee chooses to assess its own effectiveness will differ from organisation to organisation. However, common practice is by using a self-assessment tool.

Recommendations

- 2.1 To review the action plan from the 2017/18 self-assessment (Appendix 1) and identify which actions are still relevant.
- 2.2. To complete the self-assessment questionnaire (Appendix 2) and the effectiveness self-assessment tool (Appendix 3).
- 2.3. To request a report to the March meeting of the Committee which outlines the outcome of the 2019/20 self-assessment and any actions that are required to address areas identified which require improvement.

Reasons

- 3.1 The Audit and Accounts Committee is responsible for providing assurance to the Council on the effectiveness of its governance arrangements, its risk management framework and the internal control environment. The Committee is a key element of the Council's governance framework and it needs to demonstrate a high level of effectiveness in how it carries out its core business
- 3.2 A regular self-assessment can be used to support the planning of the Audit and Accounts Committee work programme and training plans. It can also inform the annual report of the Committee.

Supporting information

- 4.1 The Audit and Accounts Committee last undertook a self-assessment exercise in February/March 2018. In 2018, the Committee agreed to use a questionnaire developed internally which drew on existing Audit Committee self-assessment checklists produced by the National Audit Office (NAO) and the Chartered Institute of Public Finance & Accountancy (CIPFA). This was a very comprehensive questionnaire that resulted in the production of a very detailed improvement plan (see Appendix 1).
- 4.2 Following discussions with the Chair and Vice-Chair, it has been agreed that this time the Committee will be asked to complete a much shorter self-assessment questionnaire (see Appendix 2).
- 4.3 The questionnaire provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement and the CIPFA publication "audit committees - Practical Guidance for Local Authorities and Police (2018 Edition)". Where an audit committee has a high degree of performance against the good practice principles, then it is an indicator that the Committee is soundly based and has in place a knowledgeable membership. These are the essential factors in developing an effective audit committee.
- 4.4. Appendix 3 contains an assessment tool developed by CIPFA to help 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.

Public/stakeholder engagement

- 5.1 None

Other options

- 6.1 None

Financial and value for money issues

- 7.1 None.

Legal implications

- 8.1 None

Other significant implications

9.1 None

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal Finance Service Director(s) Report sponsor Other(s)	Director of Financial Services	28 January 2020

Background papers:	Audit & Accounts Committee 13 February 2018 (Item 6) and 20 March 2018 (Item 8)
List of appendices:	Appendix 1 – Action Plan – 2017/18 Appendix 2 - self-assessment questionnaire Appendix 3 - effectiveness self-assessment tool