

Cipfa: Practical Guidance for Local Authorities and the Police - Audit Committees
Self-Assessment of Good Practice (2019 Review)

Appendix 2

	Good Practice Questions	Yes	Partly	No	Comments
	<u><i>Audit committee purpose and governance</i></u>				
1.	Does the authority have a dedicated audit committee?	X			The Council's Audit Committee is a separate, dedicated, committee in accordance with good practice.
2.	Does the audit committee report directly to full council? (Applicable to local government only.)	X			<p>The Minutes of the Audit Committee are approved at the next Audit Committee meeting as a correct record and thereafter submitted to full Council where necessary for ratification.</p> <p>In general, the Audit Committee does not have delegated powers. All recommendations of the Audit Committee will be considered by Council or by the appropriate committee.</p> <p>This arrangement is deemed to be appropriate.</p>
3.	Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's Position Statement?	X			See position statement attached.
4.	Is the role and purpose of the audit committee understood and accepted across the authority?	X			Elected Members and Offices are considered to have good awareness of the

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					role and purpose of the Audit Committee.
5.	Does the audit committee provide support to the authority in meeting the requirements of good governance?	X			The Audit Committee is a key element of the Council's governance framework. This is evidenced, for example, by the draft Annual Governance Statement being presented to the Audit Committee as a standalone document.
6.	Are the arrangements to hold the committee to account for its performance operating satisfactorily?	X			<p>The following points are noted:</p> <ul style="list-style-type: none"> • Chair of the Audit Committee is from the Opposition (as is Vice Chair) • The committee has two Lay Members • The Administration has a minority of members on the Audit Committee; and • Minutes are approved by Council. <p>It should be noted that a self-assessment against best practice takes place annually, using the Cipfa documents. An Audit Committee Annual Report is prepared every year, submitted to both the Audit Committee and the full Council:</p> <ul style="list-style-type: none"> • Setting out the activities to enable stakeholders to understand how the Audit Committee has discharged its

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					duties; and • Identifying areas of improvement to better fulfil its remit.
	<u>Functions of the committee</u>				
7.	Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement? <ul style="list-style-type: none"> • good governance • assurance framework, including partnerships and collaboration arrangements • internal audit • external audit • financial reporting • risk management • value for money or best value 	X X X X	X X		Reported to Audit Committee Not specifically mentioned but implied Reported to Audit Committee Reported to Audit Committee Reported to Audit Committee Reported to Audit Committee Best Value information on services is mainly reported to service Committees, not Audit Committee. Capital project post completion reviews are reported to Audit

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	<ul style="list-style-type: none"> counter-fraud and corruption. 	X			<p>Committee</p> <p>Reported to Audit Committee</p>
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?	X			This self-assessment process is the formal annual evaluation process.
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?	X			<p>The position statement was first submitted to the Audit Committee in December 2018.</p> <p>The position statement is included as Appendix 3 to this report.</p>
10.	Where coverage of core areas has been found to be limited, are plans in place to address this?	X			Core areas all covered.
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?	X			The Committee maintains this position.

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	<u>Membership and support</u>				
12.	<p>Has an effective audit committee structure and composition of the committee been selected?</p> <p>This should include:</p> <ul style="list-style-type: none"> • separation from the executive • an appropriate mix of knowledge and skills among the membership • a size of committee that is not unwieldy • consideration has been given to the inclusion of at least one independent member (where it is not already a mandatory requirement) 	<p>X</p> <p>X</p> <p>X</p> <p>X</p>			<p>Chair and Vice Chair are from the Opposition. There are two Lay Members Administration membership is in the minority.</p> <p>The Audit Committee is deemed to contain an appropriate mix of knowledge and skills.</p> <p>The size of the Audit Committee is deemed to be appropriate.</p> <p>There are two Lay Members on the committee (one vacancy at present).</p>
13.	Have independent members appointed to the committee been recruited in an open and transparent way and approved by the full council?	X			Formal process in place to appoint Lay Members.
14.	Does the chair of the committee have appropriate knowledge and skills?	X			The current Chair has held the role for over two years and has been an Elected

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					<p>Member for seven years. Officers ensure that the Chair is fully briefed as to the Audit Committee's role and responsibilities and has appropriate knowledge to ensure its continuing effective operation.</p> <p>The Chair and Vice Chair attend a pre-Agenda meeting prior to every committee meeting.</p> <p>The Chair also sits on every service committee of the Council and so has a good opportunity to be across key issues. The Chair also sits on the HSCP audit committee.</p> <p>The Chair is on the board of a number of other organisations, including the Chair of one.</p>
15.	Are arrangements in place to support the committee with briefings and training?	X			<p>There is an Elected Member briefing / training programme.</p> <p>The Chair and Vice Chair attend a pre-Agenda meeting prior to every committee meeting.</p>
16.	Has the membership of the committee been assessed against the core knowledge and skills framework and	X			<p>The following points are made:</p> <ul style="list-style-type: none"> • Role profiles are in place for Elected

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	found to be satisfactory?				<p>Members</p> <ul style="list-style-type: none"> • Elected members have the opportunity to participate in an annual CPD/PDP • There is no formal assessment process although there are optional 1-to-1's for Elected Members. • There is an Elected Members' induction programme. • On a voluntary basis Elected Members can participate in a skills programme • The Improvement Service provides Elected Member support – details of this are provided to them <p><u>Suggested action:</u> Hold specific training for members of the Audit Committee, taking into account the content of the core knowledge and skills framework.</p>
17.	Does the committee have good working relations with key people and organisations, including external audit, internal audit and the chief financial officer?	X			Good working relations exist with external audit, internal audit, and key senior officers who typically attend the Committee including: Chief Executive, Strategic Director – T&PSR and the Strategic Lead – Resources.
18.	Is adequate secretariat and administrative support to the committee provided?	X			Support of this nature provided by committee admin with a specific

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					Committee Officer assigned to support the Audit Committee.
	<u>Effectiveness of the committee</u>				
19.	Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?	X			Feedback has been obtained – see Appendix 6.
20.	Are meetings effective with a good level of discussion and engagement from all the members?	X			There is a good level of discussion.
21.	Does the committee engage with a wider range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?	X			There is normally senior management representation at the audit committee from all services, who are able to respond to questions from members. Where necessary, further information / clarification can be subsequently obtained and forwarded on to members.
22.	Does the committee make recommendations for improvement of governance, risk and control and are these acted on?	X			The Minutes of the meeting would record some of this. Committee actions are also recorded in Pentana for action by assigned Officers
23.	Has the committee evaluated whether and how it is adding value to the organisation?			X	This is fulfilled using the Cipfa documents: <ul style="list-style-type: none"> • Audit Committees Self-Assessment of Good Practice; and • Evaluating the Effectiveness of the

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					<p>Audit Committee</p> <p>Such a self-assessment process of comparing performance against best practice is carried out annually and reported to the Audit Committee.</p> <p><u>Suggested action:</u> Carry out an annual self-evaluation process.</p>
24.	Does the committee have an action plan to improve any areas of weakness?	X			This will be considered on an ongoing basis as part of the annual self-assessment and reporting process.
25.	Does the committee publish an annual report to account for its performance and explain its work?	X			This has been introduced from year ended 31 st March 2019 onwards.