

For publication

Standards and Audit Committee Self - Assessment

Meeting:	Standards and Audit Committee
Date:	24 th November 2021
Cabinet portfolio:	Governance
Directorate:	Finance
For publication	

1.0 Purpose of the report

- 1.1 To present for members' information CIPFA's "Audit Committees Practical Guidance for Local Authorities and Police 2018 Edition" and to enable members to undertake a self-assessment.

2.0 Recommendations

- 2.1 That the Standards and Audit Committee note the CIPFA Guidance for Local Authority Audit Committees as detailed at Appendix 1 of the report.
- 2.2 That the Standards and Audit Committee complete the self- assessment during the meeting (Appendix 3).
- 2.3 That an action plan (if required) resulting from the self – assessment be brought to the next meeting for approval.

3.0 Reason for recommendations

- 3.1 To enable the Standards and Audit Committee to undertake a self- assessment. The self- assessment will demonstrate where best practice is occurring and identify any potential areas of weakness that can be addressed via an action plan.

4.0 Report details

4.1 CIPFA's Audit Committee guidance is attached as Appendix 1. The publication sets out CIPFA's guidance on the function and operation of audit committees in local authorities and represents best practice for audit committees throughout the UK.

4.2 The guidance contains a number of chapters: -

- Introduction
- CIPFA's Position Statement: Audit Committees in Local Authorities and Police
- The purpose of Audit Committees
- The core functions of an Audit Committee
- Possible wider functions of an Audit Committee
- Independence and Accountability
- Membership and effectiveness

4.3 At Page 73 Appendix D of CIPFA'S publication there is a self-assessment of good practice. This provides a high-level review that incorporates the key principles set out in CIPFA's position statement and publication. 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 essential factors in developing an effective audit committee.

4.4 In November 2020 the Standards and Audit Committee undertook the self-assessment which resulted in an action plan being produced. That action plan has been completed, the details of which can be seen at Appendix 2.

4.5 It is proposed that the self-assessment of good practice is completed again and if necessary, a further action plan for improvement be developed following this exercise. The self – assessment questionnaire is attached at Appendix 3 along with relevant comments for consideration.

5.0 Alternative options

5.1 It is not mandatory to complete a self-assessment however it is best practice to complete on an annual basis and helps to evidence that the Committee takes its roles and responsibilities seriously and seeks to perform its role in line with CIPFA guidance.

6.0 Implications for consideration – Financial and value for money

6.1 As a key component of an organisation's governance arrangements, the audit committee has the potential to be a valuable resource to the whole authority. Where it operates effectively, an audit committee adds value to its authority by supporting improvement across a range of objectives.

7.0 Implications for consideration – Legal

7.1 Audit committees in local authorities are necessary to satisfy the wider requirements for sound financial management and internal control. The Accounts and Audit (England) Regulations 2015 state that a local authority is responsible "for a sound system of internal control which facilitates the effective exercise of its functions and the achievement of its aims and objectives; ensures that the financial and operational management of the authority is effective and includes effective arrangements for the management of risk".

8.0 Implications for consideration – Human resources

8.1 None

9.0 Implications for consideration – Council plan

9.1 An effective Audit Committee that conforms with best practice helps to ensure that the council's resources and priorities are focused on achieving the objectives within the council plan by promoting the principles of good governance and their application to decision making.

10.0 Implications for consideration – Climate change

10.1 None

11.0 Implications for consideration – Equality and diversity

11.1 None.

12.0 Implications for consideration – Risk management

12.1 An Audit Committee that conforms with best practice will support the Council's arrangements for the governance of risk and for effective arrangements to manage risks.

Decision information

Key decision number	n/a
Wards affected	All

Document information

Report author	
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Background documents	
These are unpublished works which have been relied on to a material extent when the report was prepared.	
Appendices to the report	
Appendix 1	Audit Committees Practical Guidance for Local Authorities and Police 2018 Edition
Appendix 2	Self - Assessment Action Plan February 21 Updated
Appendix 3	Standards and Audit Committee Self – Assessment Questionnaire