

AUDIT & GOVERNANCE COMMITTEE - SELF ASSESSMENT OF GOOD PRACTICE

1. HIGH LEVEL REVIEW OF KEY PRINCIPLES

	GOOD PRACTICE QUESTIONS	SELF ASSESSMENT (KNOWLEDGE) (Please indicate with X in the relevant box)			STRENGTHS / WHAT WORKS WELL	AREAS FOR IMPROVEMENT
		YES	PARTLY	NO		
Audit committee purpose and governance						
1	Does the audit committee report directly to full council?	X				
2	Do the Terms of reference clearly set out the purpose of the committee in accordance with CIPFA’s Position Statement?		X			T of R to be reviewed as part of the working group work
3	Is the role and purpose of the audit committee understood and accepted across the authority?		X		Most members and CLT are aware of the role of the A & G committee in standards matters	Training to be developed as part of the induction programme re the finance and audit functions of the committee
4	Does the audit committee provide support to the authority in meeting the requirements of good governance?	X			Members meet regularly as a committee and have a workplan Members are engaged and interested in the reports before them and ask relevant questions	There are plans to improve contact and engagement outside committee meetings with training and workshop sessions on key areas
5	Are the arrangements to hold the committee to account for its performance operating satisfactorily?		X			Annual report – consider whether this should go to Council?

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Functions of the committee						
6	Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement?			X		T of R being reviewed
	<ul style="list-style-type: none"> Good governance 					
	<ul style="list-style-type: none"> Assurance framework, including partnerships and collaboration arrangements 					
	<ul style="list-style-type: none"> Internal audit 					
	<ul style="list-style-type: none"> External audit 					
	<ul style="list-style-type: none"> Financial reporting 					
	<ul style="list-style-type: none"> Risk Management 					
	<ul style="list-style-type: none"> Value for money or best value 					
	<ul style="list-style-type: none"> Counter fraud and corruption 					
	<ul style="list-style-type: none"> Supporting the ethical framework 					
7	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		Annual report to be completed for 18/19

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8	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				As part of the working group work
9	Where coverage of core areas has been found to be limited, are plans in place to address this?	X				Action plan produced as part of the working group work.
10	Has the committee maintained its advisory role by not taking on any decision-making powers that are not in line with its core purpose?	X				
Membership and Support						
11	<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 	X			<p>Non exec members</p> <p>Cross party balanced committee</p> <p>Committee chosen by nominations and agreed by annual council</p>	

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12	Does the chair of the committee have appropriate knowledge and skills?		X		Engaged chair and members	All members knowledge and skills will be supported by a package of training
13	Are arrangements in place to support the committee with briefings and training?	X				
14	Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?		X			See action plan
15	Does the committee have good working relations with key people and organisations, including external audit, internal audit and the CFO?	X			Regular briefings, open dialogue, challenge and engagement	
16	Is adequate secretariat and administrative support to the committee provided?	X				
17	Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?			X		Could this be gained from Annual report being considered by Council? Feedback from EA and IA?
18	Are meetings effective with a good level of discussion and engagement from all members?	X	X			

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19	Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with responsible officers?		X		Improvements to the approach to risk management and attendance of strategic director	Recently introduced updates in IA reports and attendance by managers for longstanding/high profile audits
20	Does the committee make recommendations for the improvement of governance, risk and control and are these acted on?	X			Members are given the opportunity to challenge in these areas.	
21	Has the committee evaluated whether and how it is adding value to the organisation?	X				Self assessment - Work of the working group
22	Does the committee have an action plan to improve any areas of weakness?		X			Action plan to be approved at the meeting of the committee in December 18
23	Does the committee publish an annual report to account for its performance and explain its work?			X		To be done for 18/19

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2. EVALUATING THE EFFECTIVENESS OF THE AUDIT COMMITTEE

Assessment Key

5	Clear evidence is available from a number of sources that the committee is actively supporting improvements 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	EXAMPLES OF HOW THE AUDIT COMMITTEE CAN ADD VALUE AND PROVIDE EVIDENCE OF EFFECTIVENESS	SELF EVALUATION, EXAMPLES , AREAS OF STRENGTH AND WEAKNESS	OVERALL ASSESSMENT 5-1 (SEE KEY ABOVE)
Promoting the principles of good governance and their application to decision making	<ul style="list-style-type: none"> Supporting the development of a local code of governance Providing robust review of the AGS and the assurances underpinning it 	<p>Good challenge and contribution by committee members on the AGS</p> <p>Active in the adoption of Local Code of Corporate Governance in 2017 Improvements to the AGS made by the head of finance.</p>	4

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	<ul style="list-style-type: none"> ▪ Working with key members to improve their understanding of the AGS and their contribution to it ▪ Supporting reviews/audits of governance arrangements ▪ Participating in self- assessments of governance arrangements ▪ Working with partner audit committees to review governance arrangements in partnerships 	<p>Consider introducing regular (bi annual?) reviews of governance to work plan</p> <p>Robust review of the Annual Governance Statement and the assurances and evidence document that is developed to support the statement.</p> <p>Working group approach worked really well</p> <p>Current participation in committee self-assessment.</p> <p>Could look to review governance arrangements in partnerships, but do receive regular reports in respect of the council's largest partnership – Revenues and Benefits Partnership.</p>	

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Contributing to the development of an effective control environment	<ul style="list-style-type: none"> Actively monitoring the implementation of recommendations from auditors Encouraging ownership of the internal control framework by appropriate managers Raising significant concerns over controls with appropriate senior managers 	<p>Committee engaged and challenge audit reports. Consistent and active monitoring of IA recommendations.</p> <p>Working group recommendations will suggest further training and development to support the committee understanding the role of IA and how their professional judgements are arrived it</p> <p>Managers now invited to attend for longstanding or high profile audits</p> <p>The Committee raise concerns as appropriate.</p>	4
Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks	<ul style="list-style-type: none"> Reviewing risk management arrangements and their effectiveness, eg risk management benchmarking 	<p>Improvements made by the strategic director – revised risk management framework and regular reports to the A&G committee</p> <p>Consider inviting risk owners to attend some meetings where there are questions No risk management benchmarking undertaken.</p>	3

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	<ul style="list-style-type: none"> Monitoring improvements Holding risk owners to account for major/strategic risks 	Regular monitoring, committee comments regarding presentation and description of risk and mitigating actions taken on board by officers.	
Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively	<ul style="list-style-type: none"> Specifying its assurance needs, identifying gaps or overlaps in assurance Seeking to streamline assurance gathering and reporting Reviewing the effectiveness of assurance providers, eg internal audit, risk management, external audit 	<p>Little evidence of awareness of assurance needs and whether there are gaps/overlap.</p> <p>Some comments raised regarding the capacity of internal audit but no reviews of the effectiveness of assurance.</p>	2
Supporting the quality of the internal audit activity, particularly by underpinning its organisational independence	<ul style="list-style-type: none"> Reviewing the audit charter and functional reporting arrangements Assessing the effectiveness of internal audit arrangements, providing constructive challenge and supporting improvements 	<p>The Committee approve the Internal Audit Charter and any significant changes.</p> <p>Committee provide constructive challenge and support improvements, however have not seen the committee actively assess the effectiveness of internal audit arrangements.</p>	3 / 4

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	<ul style="list-style-type: none"> Actively supporting the quality assurance and improvement programme of internal audit 	<p>Internal audit is assessed against PSIAS every five years and outcomes reported to A & G Committee. Ongoing compliance is reported via progress reports.</p> <p>The committee actively support the QA and improvement programme of internal audit</p>	
Aiding the achievement of the authority's goals and objectives through helping to ensure appropriate governance, risk, control and assurance arrangements	<ul style="list-style-type: none"> Reviewing how the governance arrangements support the achievement of sustainable outcomes Reviewing major projects and programmes to ensure that governance and assurance arrangements are in place Reviewing the effectiveness of performance management arrangements 	<p>Committee don't see major projects/programmes</p> <p>Is this overlapping with the role of scrutiny and executive?</p> <p>None – PM arrangements not considered by committee (although this may be useful to get better oversight on finance throughout the year).</p>	N/A
Supporting the development of robust arrangements for	<ul style="list-style-type: none"> Ensuring that assurance on value for money arrangements is included in the assurances received by the audit committee 	Assurance on VfM arrangements delivered as part of external auditor's annual report.	4

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ensuring value for money	<ul style="list-style-type: none"> Considering how performance in value for money is evaluated as part of the AGS 	Limited scope within the AGS re VfM, aside from evaluation of the council's governance framework against the CIPFA/SOLACE principle "Implementing good practices in transparency, reporting, and audit to deliver effective accountability".	
Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks	<ul style="list-style-type: none"> Reviewing arrangements against the standards set out in the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014) Reviewing fraud risks and the effectiveness of the organisation's strategy to address those risks Assessing the effectiveness of ethical governance arrangements for both staff and governors. 	<p>Review against the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014) due to be undertaken by Head of Finance and subject to audit and governance committee review.</p> <p>Regular monitoring of fraud risks via the corporate risk register.</p> <p>N/A</p>	3

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<p>Promoting effective public reporting to the authority's stakeholders and local community and measures to improve transparency and accountability</p>	<ul style="list-style-type: none"> Improving how the authority discharges its responsibilities for public reporting; for example, better targeting at the audience, plain English Reviewing whether decision making through partnership organisations remains transparent and publicly accessible and encourages greater transparency Publishing an annual report from the committee 	<p>Annual report to be developed from 18/19</p> <p>Reports follow corporate style guide which includes the requirement for plain English Annual report and all public reports written in plain English. Review of draft Financial Statements by Committee.</p> <p>Decision making through Revenues and Benefits Joint Committee provides and example where decision making with partner organisations is transparent and publicly accessible.</p>	<p>3</p>