

# Self-assessment of good practice 2023

This appendix provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement and this publication. Where an audit committee has a high degree of performance against the good practice principles, 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.

Good practice questions	Yes	Partly	No	Comments	Further Actions
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Audit committee purpose and governance					
1. Does the authority have a dedicated audit committee that is not combined with other functions (e.g. standards, ethics, scrutiny)?			✓	The Governance Committee undertakes the role of Audit Committee and also undertakes the role of Standards Committee.	
2. Does the audit committee report directly to full council? (applicable to local government only)	✓			The Governance Committee reports to Full Council. A general report of each Governance meeting held is submitted for consideration.	
3. Has the committee maintained its advisory role by not taking on any decision-making powers?		✓		The committee reviews, considers and monitors the Council's Governance, Risk and Control environment and does not have any decision-making powers.  The committee also has responsibility for Member Standards and receives, hears and makes decisions on standards complaints following investigation.	
4. Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's 2022 Position Statement?		✓		The Terms of Reference needs updating.	Terms of Reference to be reviewed and updated to incorporate the revised CIPFA 2022 Position Statement and guidance.
5. Do all those charged with governance and in leadership roles	✓			All members of the committee receive training following their appointment to the Committee on their roles.	

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have a good understanding of the role and purpose of the committee?				New managers receive introduction to Audit and Risk Training from the Head of Service – Audit & Risk to ensure awareness and understanding.	
6. Does the audit committee escalate issues and concerns promptly to those in governance and leadership roles?	✓			The Governance Committee can refer concerns to Full Council should there be a need to escalate issues.	
7. Does the governing body hold the audit committee to account for its performance at least <b>annually</b> ?			✓	A review of the effectiveness of the Governance Committee was last undertaken in November 2021.	Standard of performance against recommended practice will be reviewed annually and presented to the Committee at the November meetings.
8. Does the committee publish an annual report in accordance with the 2022 guidance, including: <ul style="list-style-type: none"> <li>compliance with the CIPFA Position Statement 2022</li> </ul>			✓	A general report of each Governance meeting held is submitted for consideration to Full Council. No evidence of an annual report being produced.	Annual report to be published and presented to Full Council at the meetings in May
<ul style="list-style-type: none"> <li>results of the annual evaluation, development work undertaken and planned improvements</li> </ul>			✓	As above	
<ul style="list-style-type: none"> <li>how it has fulfilled its terms of reference and the key issues escalated in the year?</li> </ul>			✓	As above	
<b>Functions of the committee</b>					
9. Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement?					Terms of Reference to be reviewed and updated to incorporate the revised CIPFA

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<ul style="list-style-type: none"> <li>Governance arrangements</li> </ul>		✓		See Regulatory Framework 3,5,and 6	2022 Position Statement and guidance.
<ul style="list-style-type: none"> <li>Risk management arrangements</li> </ul>		✓		See Regulatory Framework 3	
<ul style="list-style-type: none"> <li>Internal control arrangements, including:                             <ul style="list-style-type: none"> <li>financial management</li> <li>value for money</li> <li>ethics and standards</li> <li>counter fraud and corruption</li> </ul> </li> </ul>		✓		Section Audit Activity 4 Section Regulatory Framework 4 - counter fraud and corruption Section Regulatory Framework 1 & 7 – standards	
<ul style="list-style-type: none"> <li>Annual governance statement</li> </ul>			✓	No specific reference is made to the AGS.	
<ul style="list-style-type: none"> <li>Financial reporting</li> </ul>		✓		Section Regulatory Framework 7	
<ul style="list-style-type: none"> <li>Assurance framework</li> </ul>		✓		Section Audit Activity 1	
<ul style="list-style-type: none"> <li>Internal audit</li> </ul>		✓		Section Audit Activity 1-4	
<ul style="list-style-type: none"> <li>External audit</li> </ul>		✓		Section Audit Activity 5-9	
10. Over the last year, has adequate consideration been given to all core areas?	✓			Adequate consideration has been given to the AGs and Governance, Internal Audit, External Audit, Risk Management and Financial Reporting.	
11. Over the last year, has the committee only considered agenda items that align with its core functions	✓			Over the last year the Governance Committee has considered the following wider functions: <ul style="list-style-type: none"> <li>Treasury Management – Annual report and monitoring</li> </ul>	

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or selected wider functions, as set out in the 2022 guidance?				<ul style="list-style-type: none"> <li>• Scrutiny of Financial Affairs - Draft Core Financial Statements</li> <li>• Supporting Corporate Improvements – Review of Effectiveness of Internal Audit &amp; Annual Governance Statement Action Plan</li> </ul>	
12. Has the committee met privately with the external auditors and head of internal audit in the last year?	✓			The committee has not collectively met privately with the external auditors and head of internal audit in the last year however, this would occur should a particular situation arise.	
<b>Membership and Support</b>					
13. Has the committee been established in accordance with the 2022 guidance as follows?	✓			No members of the Governance Committee are members of the Executive Cabinet.	
<ul style="list-style-type: none"> <li>• Separation from executive</li> </ul>	✓			<ul style="list-style-type: none"> <li>• A size that is not unwieldy and avoids use of substitutes</li> </ul>	<p>Governance Committee comprises of 8 members.</p> <p>Committee also has reserve members.</p>

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<ul style="list-style-type: none"> <li>Inclusion of lay/co-opted independent members in accordance with legislation or CIPFA's recommendation</li> </ul>			✓	The Governance Committee has 2 co-opted independent members for Standards issues only.	Committee to consider the Inclusion of independent members
14. Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled?	✓			Assessment of member skills and knowledge was undertaken in 2023.  Member Development Programme – Governance Committee Training May 2023.	
15. Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out within the last two years?		✓		Assessment of member skills and knowledge was undertaken in 2023.	Skills and knowledge responses to be analysed and training plan developed to address identified needs.
16. Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance?	✓			Training has been provided to Governance Committee members by the Head of Internal Audit and Monitoring Officer during 2022/23 covering all core areas.  Further training is to be provided on the role of the Audit / Governance Committee is to be held on the 30 <sup>th</sup> October 2023.	
17. Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance?		✓		Recent training provided, as above.  Assessment of member skills and knowledge was undertaken in 2023.	Skills and knowledge responses to be analysed and training plan developed to address identified needs.

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18. Is adequate secretariat and administrative support provided to the committee?	✓			All meetings are attended by a member of the Democratic Services who support the Committee with their secretariat and administrative needs. All agendas and minutes of the meetings are published on the Council's website.	
19. Does the committee have good working relations with key people and organisations, including external audit, internal audit and the CFO?	✓			External Audit, Chief Financial Officer, Head of Audit and Monitoring Officer attend the majority of meetings. Senior Management attend to provide further information as required.	
<b>Effectiveness of the committee</b>					
20. Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?			✓	No formal feedback has been sought by the Committee.	General feedback will be sought as part of a wider committee self-assessment. Results to be reported in the Annual report
21. Are meetings well chaired, ensuring key agenda items are addressed with a focus on improvement?	✓			During 2022/23 the Committee operated with an experienced Chair and meetings were well conducted.	

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				New Chair in place with effect from May 2023.	
				Training and support will be provided in response to outcomes of the skills and knowledge questionnaire.	
22. Are meetings effective with a good level of discussion and engagement from all the members?	✓			Good engagement levels from members. Evidenced in meeting minutes.	
23. Has the committee maintained a non-political approach to discussions throughout?	✓			Good engagement levels from members. Non-political approach evidenced in meeting minutes.	
24. Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?	✓			Review summaries and information on outstanding audit actions are provided to Committee on a regular basis.  Senior officers have attended the meetings to present reports on subject matters appropriate for the committee or to provide background and updates on areas identified as requiring improvement.	
25. Does the committee make recommendations for the improvement of governance, risk and control arrangements?	✓			Good levels of discussion evidenced in the committee meeting minutes and via recordings of meeting available publicly on YouTube in relation to governance, risk and control.	

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26. Do audit committee recommendations have traction with those in leadership roles?	✓			As above	
27. Has the committee evaluated whether and how it is adding value to the organisation?			✓	This will be assessed as the feedback is obtained and the annual report developed.	Refer to actions above.
28. Does the committee have an action plan to improve any areas of weakness?		✓		See further actions	The results of this self assessment and the skills and knowledge questionnaire by all Committee members will further inform an updated action plan.
29. Has this assessment been undertaken collaboratively with the audit committee members?		✓		See further actions	