



Title of Report:	Audit Committee Self-Assessment Report 2023/2024
Committee Report Submitted To:	Audit Committee
Date of Meeting:	13th December 2023
For Decision or For Information	For Information
To be discussed In Committee YES/NO	No

Linkage to Council Strategy (2021-25)	
Strategic Theme	Leader and Champion
Outcome	Council operates as one effective and efficient corporate unit with a common purpose and culture.
Lead Officer	Audit Risk and Governance Manager

Budgetary Considerations	
Cost of Proposal	n/a
Included in Current Year Estimates	YES/NO
Capital/Revenue	Revenue
Code	n/a
Staffing Costs	Yes

Legal Considerations	
Input of Legal Services Required	YES/NO
Legal Opinion Obtained	YES/NO

Screening Requirements	Required for new or revised Policies, Plans, Strategies or Service Delivery Proposals.		
Section 75 Screening	Screening Completed:	Yes/No	Date:
	EQIA Required and Completed:	Yes/No	Date:
Rural Needs Assessment (RNA)	Screening Completed	Yes/No	Date:
	RNA Required and Completed:	Yes/No	Date:
Data Protection Impact Assessment (DPIA)	Screening Completed:	Yes/No	Date:
	DPIA Required and Completed:	Yes/No	Date:

1.0 Purpose of Report

- 1.1 The purpose of this report is to update Audit Committee Members on the annual self-assessment exercise on the effectiveness of the Audit Committee. Audit Committee Members were issued with a questionnaire to complete to ensure compliance of the Audit Committee in line with best practice.

2.0 Background

- 2.1 Similar to previous years, the Audit Committee are required to assess their effectiveness annually in line with guidance issued.
- 2.2 For 2023/24 Audit Committee Members were requested to complete the National Audit Office (NAO) checklist to consider the effectiveness of the Audit Committee. For 2022/23 Audit Committee Members were asked to complete the Chartered Institute of Public Finance and Accountancy (CIPFA's) Self-assessment of good practice. By rotating the Audit Committees checklist should ensure that any areas for improvement would be identified.
- 2.3 Audit Committee Members and the Independent Member were circulated the questionnaire to complete for the 2023/2024 financial year. In total 8 responses were received from a total of 17 questionnaires issued. This represents approximately 47% of the Audit Committee which is an increase to the prior years response rate of 25%.

3.0 Results

- 3.1 Appendix 1 (attached) lists the questions contained within the Self-Assessment checklist and the total responses to each of the questions asked.
- 3.2 All questionnaires received were fully completed and there were few areas that received a **No** response. Internal audit has not identified any further actions for Audit Committee's consideration for the 2023/24 financial year.
- 3.2 It is appreciated that several Audit Committee Members are new to Council and are in their first term to Local Government. The completion of the 2024/25 process may have more relevance to those Members who will have completed a full year in office.

4.0 Recommendation(s)

It is recommended that the Audit Committee note the results from the Annual Audit Committee Self-assessment Questionnaire.

Principle 1 : Membership, Independence, Objectivity and Understanding

Question Number	Question	Yes	No
1	Do we have a minimum of three members, all non-executive, at least two of whom, including the AC Chair, are non-executive board members?	8	0
2	Do the Accounting Officer, Director of Finance, the Head of Internal Audit and the External Auditor routinely attend AC meetings?	8	0
3	Are we satisfied with the range, frequency and numbers of executives and other participants attending the AC meeting? (Numbers of attendees should be sufficient to deal adequately with the agenda, but not so many as to blur the issues).	7	1
4	Is our relationship and communication with the Departmental AC effective (or, in the case of a Departmental AC, its relationship and communications with its group ACs), particularly in support of the Departmental Governance Statement?	7	1
5	Does a representative of our Sponsor Department (or, in the case of a Departmental AC, a representative of its ALBs) attend our AC, where appropriate?	7	1
6	Are conflicts recorded and declared at the start of every meeting, and is appropriate action taken when relevant matters are discussed?	7	1
7	Do we have a clear understanding of our terms of appointment, including what is expected of us, how our individual performance will be appraised, the duration of our appointment, training required and how this will be provided?	8	0

Principle 2: Skills

Question Number	Question	Yes	No
8	Are we satisfied that, collectively, we have the range of skills we need to ensure that the Accounting Officer and the Board gain the assurance they need on governance, risk management, the control environment and on the integrity of all elements of the Annual Report and Accounts?	8	0
9	Do we possess the wider skills necessary to be fully effective (eg in relation to the core business of the organisation, change management, digital strategy, the wider political landscape and other strategically relevant issues)?	8	0

10	Does at least one member have recent and relevant financial experience sufficient to allow them to competently analyse the financial statements and understand good financial management discipline?	8	0
11	Where we need additional skills are we empowered to co-opt additional members or procure specialist advice?	8	0
12	Do we have effective induction and training arrangements for new members and does the ARAC Chair ensure that all members have an appropriate programme of engagement with the organisation to help build sufficient understanding?	8	0

Principle 3 and 4: The role and scope of the Committee

Question Number	Question	Yes	No
13	Do we, have a clear understanding of the role and responsibilities of the AC?	8	0
14	Are we satisfied with the range, frequency and numbers of executives and other participants attending the AC meeting? (Numbers of attendees should be sufficient to deal adequately with the agenda, but not so many as to blur the issues).	8	0
15	Do we provide insight and strong, constructive challenge to the organisation (including within the Departmental family/group) where required?	8	0
16	Do we have sufficient understanding of the organisation's overall control environment, including its governance and any outsourcing arrangements, and review its effectiveness regularly to provide assurance that arrangements are responding to risks within the organisation?	8	0
17	Do we use assurance mapping to target the areas of greatest risk in our organisation (including within the Departmental family/group)?	8	0
18	Do we critically review the comprehensiveness and reliability of assurances that we receive from across the organisation?	8	0
19	Are we proactive in commissioning additional assurance work where we have identified a risk or control issue which is not subject to sufficient review?	8	0
20	Do we draw the Accounting Officer's and the Board's attention to the results of our work on risk?	8	0
21	Do we lead on the assessment of the annual Governance Statement for the Accounting Officer and Board, including the provision of advice on its preparation and scope?	8	0
22	Do we give sufficient and timely attention to financial management and reporting issues, including the consideration of key accounting policies, estimates and judgements and the quality of the year-end financial statements?	8	0
23	Do we sufficiently consider and challenge the work of internal audit and external audit?	8	0
24	Do we track all audit recommendations (internal and external, including any arising from the NAO's VFM work)	8	0

	and hold the organisation to account for their implementation?		
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Principle 3 and 4: The role and scope of the Committee (continued).

Question Number	Question	Yes	No
25	Do we regularly review anti-fraud and corruption arrangements?	8	0
26	Do we regularly review the organisation's cyber risk management and consider the appropriateness of the organisation's risk mitigation strategies?	8	0
27	Do we regularly review the organisation's response to the Cabinet Office's Counter-Fraud Standards and consider the sufficiency of this response?	7	1
28	Do we ensure that a senior board member has overall responsibility for whistleblowing arrangements within the organisation?	7	1
29	Do we regularly review our Terms of Reference to ensure they are consistent with the model Terms of Reference provided in HMT's AC Handbook?	8	0

Principle 5: Communicating and Reporting

Question Number	Question	Yes	No
30	Is our work effectively and promptly reported to the Board and Accounting Officer after each meeting and are these reports copied to the Head of Internal Audit and the External Auditor?	8	0
31	Are our relationships and communications sufficiently well developed with those we seek briefings from and those we provide assurance to, including where risks cross organisational boundaries?	8	0
32	Do we provide an Annual Report to the Board, timed to support the Governance Statement; is our report open and honest in presenting our views and opinions from the work we have done during the year; and, is its content consistent with good practice?	8	0
33	Does the AC Chair have regular bilaterals with the key attendees (eg the Accounting Officer, Director of Finance, the Head of Internal Audit and the External Auditor)?	7	1
34	Where appropriate, do we communicate our work across the departmental group?	6	2