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Self-assessment of good practice

This evaluation will support an assessment against recommended practice to inform and support the Audit Committee. This is a high-level review that incorporates the key principles set out in CIPFA's Position Statement: Audit Committees in Local Authorities and Police. Where an Audit Committee has a high degree of performance against the good practice principle's then it is an indicator that the committee is soundly based and has in place knowledgeable membership. These are essential factors in developing an effective Audit Committee.

Good Practice Questions		Yes	Partly	No
Audit Committee purpose and governance				
1	Does the authority have a dedicated audit committee?	Yes		
2	Does the audit committee report directly to full authority?	Yes		
3	Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's position statement?	Yes		
4	Is the role and purpose of the audit committee understood and accepted across the authority?		Partly	
5	Does the audit committee provide support to the authority in meeting the requirements of good governance?	Yes		
6	Are the arrangements to hold the committee to account for its performance operating satisfactorily?	Yes*		
Functions of the committee				
7	Do the committee's terms of reference explicitly address all the core area identified in CIPFA's position statement? <ul style="list-style-type: none"> - Good governance - Assurance framework - Internal audit - External audit - Financial reporting - Risk management - Value for money or best value - Counter fraud and corruption 	Yes		
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?	Yes		
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?	Yes		
10	Where coverage of core areas has been found to be limited, are plans in place to address this?	n/a		

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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?	Yes		
Membership and support				
12	Has an effective audit committee structure and composition of the board been selected? This should include: - Separation from the executive - An appropriate mix of knowledge and skills among the membership - A size of committee that is not unwieldy - Where independent members are used, that they have been appointed using appropriate process	Yes		
13	Does the chair of the committee have appropriate knowledge and skills?	Yes		
14	Are arrangements in place to support the committee with briefings and training?	Yes		
15	Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?	Yes		
16	Does the committee have good working relationships with key people and organisations, including external audit, internal audit and the chief finance officer?	Yes		
17	Is adequate secretariat and administrative support to the committee provided?	Yes		
Effectiveness of the committee				
18	Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?	Yes*		
19	Has the committee evaluated whether and how it is adding value to the organisation?	Yes		
20	Does the committee have an action plan to improve any areas of weakness?	Yes		

4 – The Committee considers that more could be done to highlight the role and purpose of the audit committee across the authority. Members style bulletin to be considered to highlight the work of the committee.

6 – Are the mechanisms to hold the committee to account for its performance operating satisfactorily. In line with the guidance, the Committee reports to full Council and produces a report annually as an assessment of their performance.

15 – The committee will continue to be provided with the core knowledge and skills framework and if any gaps are identified, training will be requested.

18 - The committee to consider the potential for requesting feedback from officers interacting with them at year end.

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Evaluating the Effectiveness of the Audit Committee

This assessment tool helps Audit Committee members to consider where it is most effective and where there may be scope to do more. To be considered effective, the Audit Committee should be able to identify evidence of its impact or influence linked to specific improvements.

Assessment Key:

- 5 Clear evidence is available from a number of sources that the committee is actively supporting the improvement 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	Self-evaluation examples, areas of strength & weakness	Assessment 1-5
Promoting the principles of good governance and their application to decision making	<p>The Committee meets regularly. Questions and challenges as appropriate, as shown through the minutes.</p> <p>The Committee seeks to gain assurance as needed on the reports received. The Committee provides robust review of the Annual Governance Statement and the assurances underpinning it.</p>	5

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	Through the reports received & the questions raised, the Committee supports reviews / audits of governance arrangements. The Committee regularly participates in self-assessments of governance arrangements.	
Contributing to the development of an effective control environment	<p>The Committee takes an active role in monitoring the implementation of recommendations made by the auditors, and regularly challenges those that are overdue. Interim updates are requested for overdue audit recommendations with the aim of preventing further deadline extensions.</p> <p>The Committee encourages ownership of the internal control framework by appropriate managers and calls managers to account as necessary / required. The Committee raises significant concerns over controls with appropriate senior managers through those presenting the reports and by calling responsible officers to attend the meeting.</p> <p>Again, this year the committee has continued to contribute to a focused effort in resolving outstanding audit recommendations. A total of 35 audit recommendations have been resolved in 2021/22. There are now no urgent outstanding recommendations and just five in total overdue at per the report of March 2022. This reduction clearly demonstrates the value the committee's oversight has had on improving the control framework and the support provided to the Internal Audit function.</p>	5
Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks	The Committee reviews risk management arrangements, monitors improvements and holds risk owners to account for corporate risks. The strategic risk register is presented to most of the Committee meetings throughout the year. The Committee is also responsible for feeding into the risk management framework policy and strives for continuous improvement.	5

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<p>Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively</p>	<p>The Committee will be proactive in identifying gaps or overlaps in assurance through the reports it receives.</p> <p>The Committee reviews and assesses the effectiveness of all assurance providers e.g., External Audit and both internal audit providers, Eastern Internal Audit Services and Audit Lincolnshire who both provide the Committee with assurance.</p>	<p>4</p>
<p>Supporting the quality of the internal audit activity, particularly by underpinning its organisational independence</p>	<p>The Committee reviews the audit charter and functional reporting arrangements as part of the annual internal audit plans report brought to the Committee by the Head of Internal Audit.</p> <p>The Committee assesses the effectiveness of internal audit arrangements and supporting improvements through progress reporting and the annual report provided to the Committee by the Head of Internal Audit. The Committee recognises that internal audit is a key source of information for them to consider.</p>	<p>5</p>
<p>Aiding the achievement of the authority's goals and objectives through helping to ensure appropriate governance, risk, control and assurance arrangements</p>	<p>The Committee receives updates on major projects and programmes to ensure that governance and assurance arrangements are in place and through reports received from internal audit and management. The Committee reviews the effectiveness of performance management arrangements through the specific internal audit reviews as appropriate. The Committee also looks at the corporate risks which are often impacted on by major projects.</p>	<p>5</p>
<p>Supporting the development of robust arrangements for ensuring value for money</p>	<p>The Committee has taken an active role in reviewing the external auditors work on value for money and any risks raised regarding this in their audit planning report. The external auditors have highlighted the potential for a risk around financial sustainability in light of the impact of Covid-19 on the Council's finances. The Committee will receive assurances from both external and internal audit in the 2022/23 plans.</p>	<p>5</p>

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<p>Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks</p>	<p>The committee has received training on the updated Fighting Fraud and Corruption Strategy and agreed to take a more active role scrutinising the Councils arrangements for Counter Fraud and Corruption in line with this guidance. The Committee have reviewed the draft policy which is in the process of being agreed by management. Following this the Committee will receive reports from Officers in this area.</p>	<p>4</p>
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