



REPORT TO: AUDIT AND SCRUTINY COMMITTEE ON 14 FEBRUARY 2024

SUBJECT: AUDIT & SCRUTINY COMMITTEE SELF-ASSESSMENT & EVALUATION EXERCISES

BY: AUDIT AND RISK MANAGER

1. REASON FOR REPORT

- 1.1 The purpose of this report is to advise Committee on the outcome of a self-assessment of Compliance with the Good Practice Principles Checklist and Evaluation of Effectiveness Toolkit undertaken from the Chartered Institute of Public Finance and Accountancy (CIPFA) Publication “Practical Guidance for Local Authorities and Police 2022 Edition”.
- 1.2 This report is submitted to Committee in terms of Section III I (2) and (7) of the Council’s Scheme of Administration relating to consideration of reports from the council’s Internal Auditor.

2. RECOMMENDATION

- 2.1 **Committee is asked to consider the contents of this report, seek clarification on any points noted and otherwise note the report.**

3. BACKGROUND

- 3.1 The CIPFA Publication “Practical Guidance for Local Authorities and Police 2022 Edition” sets out its guidance on the function and operation of audit committees in local authorities and police bodies and represents CIPFA’s view of best practices for audit committees in local authorities throughout the UK.

4. AUDIT & SCRUTINY COMMITTEE SELF-ASSESSMENT & EVALUATION EXERCISES

- 4.1 Audit Committees are a key component of an authority’s governance framework and provide an independent and high-level resource to support governance and strong public financial management. The guidance states the purpose of an audit committee is “to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The committee’s role in ensuring that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance that those arrangements are effective.”

- 4.2 CIPFA promotes that a good standard of performance against recommended practices, together with a knowledgeable and experienced membership, are essential requirements for delivering effectiveness. To this effect, CIPFA has provided a high-level review checklist that incorporates the key principles set out in CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022 Edition. In addition, the Public Sector Internal Audit Standards also call for the committee to assess their remit and effectiveness in relation to Purpose, Authority and Responsibility to facilitate the work of this committee.
- 4.3 Members from the Audit and Scrutiny Committee carried out self-assessments of Compliance with the Good Practice Principles Checklist and Evaluation of Effectiveness Toolkit from the CIPFA Audit Committees Guidance during a workshop session on 30 October 2023 facilitated by the Audit and Risk Manager. The self-assessments are appended to this report as **Appendix 1** (Good Practice Principles) and **Appendix 2** (Effectiveness) for consideration.
- 4.4 The outcome of the self-assessment and evaluation noted significant compliance with good practice principles and a high degree of effectiveness. However, areas have been identified for further improvements. An Action Plan has been produced as **Appendix 3** to strengthen and improve the overall effectiveness of the Audit and Scrutiny Committee.

5 SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

Internal audit work supports good governance and the delivery of efficient services.

(b) Policy and Legal

No implications directly arising from this report.

(c) Financial Implications

No implications directly arising from this report.

(d) Risk Implications

The independent review of selected systems and procedures mitigates the risk associated with inadequate or ineffective control procedures.

(e) Staffing Implications

No implications directly arising from this report.

(f) Property

No implications directly arising from this report.

(g) Equalities/Socio Economic Impact

No implications directly arising from this report.

(h) Climate Change and Biodiversity Impacts

No implications.

(i) Consultations

The Chief Executive and the Head of Governance, Strategy & Performance have been consulted on the contents of this report.

6. **CONCLUSION**

- 6.1 **This report provides the Committee with details of the self-assessment of Compliance with the Good Practice Principles Checklist and Evaluation of Effectiveness Toolkit undertaken from the CIPFA Publication “Practical Guidance for Local Authorities and Police 2022 Edition”.**

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Background Papers: Internal Audit files
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