

CIPFA Audit Committees: Practical Guidance for Local Authorities and Police 2022 Edition

Evaluating the Impact and Effectiveness of the Audit & Scrutiny Committee

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 BELOW
1. Promoting the principles of good governance and their application to decision making	<p>Supporting the development of a local code of governance.</p> <p>Providing robust review of the Annual Governance Statement (AGS) and the assurances underpinning it.</p> <p>Supporting reviews/audits of governance arrangements</p> <p>Participating in self assessments and evaluation of governance arrangements</p> <p>Working with partner audit committees to review governance arrangements in partnerships.</p>	<p>Chair meets with Chief Executive / Heads of Services on a regular basis. The committee supports the role of audit in improving internal control and governance.</p> <p>Chair meets Committee Chairs of MIJB and GVJB.</p> <p>The committee scrutinises AGS.</p> <p>Audit and Risk Manager provides annual opinion on the adequacy and effectiveness of the Council's internal control system.</p>	3

<p>2. Contributing to the development of an effective control environment.</p>	<p>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>	<p>Committee receives regular progress reports from Auditors. Heads of Services attend committee meetings on request to discuss progress with audit recommendations to manage risks. Audit and Risk Manager provides annual opinion over internal control is that arrangements are satisfactory. Control frameworks are in place and operating effectively for key control areas – for example, information security or procurement.</p>	<p>3</p>
<p>3. Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks.</p>	<p>Reviewing risk management arrangements and their effectiveness, e.g. risk management benchmarking. Monitoring improvements. Holding risk owners to account for major/strategic risks.</p>	<p>Corporate Committee receives an annual report on the corporate risks and mitigations. Business Continuity and Risk Management Officer supports services to deliver effective arrangements.</p>	<p>4</p>
<p>4. Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively.</p>	<p>Specifying its assurance needs, identifying gaps or overlaps in assurance. Seeking to streamline assurance gathering and reporting. Reviewing the effectiveness of assurance providers, e.g. internal audit, risk management, external audit.</p>	<p>Induction programme outlines Governance/ Assurance Framework and Audit Cycle. Committee Audit and Scrutiny Committee considers Annual Strategies, Plans and Reports from Auditors. The authority's leadership team has defined an appropriate framework of assurance, including core</p>	<p>5</p>

		arrangements, major service areas and collaborations and external bodies.	
5. Supporting the quality of the internal audit activity, particularly by underpinning its organisational independence.	<p>Reviewing the audit charter and functional reporting arrangements.</p> <p>Assessing the effectiveness of internal audit arrangements, providing constructive challenge and supporting improvements.</p> <p>Actively supporting the quality assurance and improvement programme (QAIP) of internal audit.</p>	<p>Committee has considered and approved the Internal Audit Charter.</p> <p>Committee considers and approves the Annual Internal Audit Strategy and Plan and considers regular Reports raising queries and endorsing Internal Audit recommendations.</p> <p>Committee receives Internal Audit QAIP and PSIAS conformance reports.</p> <p>The auditors deliver in accordance with their audit plan and any amendments are well explained.</p>	5
6. Aiding the achievement of the authority's goals and objectives through helping to ensure appropriate governance, risk, control and assurance arrangements	<p>Reviewing how the governance arrangements support the achievement of sustainable outcomes.</p> <p>Reviewing major projects and programmes to ensure that governance and assurance arrangements are in place.</p> <p>Reviewing the effectiveness of performance management arrangements.</p>	<p>Auditors provide assurance reports on governance arrangements for transformation, sustainability, and performance management.</p> <p>Annual Governance Statement sets out the Governance Framework.</p> <p>Inspection reports indicate that arrangements are appropriate to support the achievement of service objectives.</p> <p>The authority's arrangements to</p>	3

		review and assess performance are undertaken by Service Committees.	
7. Supporting the development of robust arrangements for ensuring value for money.	<p>Ensuring that assurance on value for money arrangements is included in the assurances received by the audit committee.</p> <p>Considering how performance in value for money is evaluated as part of the AGS.</p> <p>Following up issues raised by external audit in their value-for-money work.</p>	<p>Value for money is assessed by both Internal and External Audit. Auditors. Annual Governance Statement sets out the Governance Framework including arrangements for best value.</p> <p>External audit's assessments of arrangements to support best value are satisfactory.</p>	5
8. Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks.	<p>Reviewing arrangements against the standards set out in the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014).</p> <p>Reviewing fraud risks and the effectiveness of the organisation's strategy to address those risks.</p> <p>Assessing the effectiveness of ethical governance arrangements for both staff and governors.</p>	<p>Committee has scrutinised the Policy to Combat Fraud, Theft, Bribery and Corruption (which are underpinned by relevant standards, codes of conduct, policies and procedures)</p> <p>The Policy to Combat Fraud, Theft, Bribery and Corruption has recently been updated and is going through a review process.</p> <p>Auditors have issued assurance reports on fraud risks and counter fraud controls. .</p>	4
9. Promoting effective public reporting to the authority's stakeholders and local community and measures to improve	<p>Improving how the authority discharges its responsibilities for public reporting; for example, better targeting at the audience, plain English.</p> <p>Reviewing whether decision making</p>	<p>The committee meets in public with only reports exempt from the public discussion that are presented in private. Plain English is used</p>	5

<p>transparency and accountability.</p>	<p>through partnership organisations remains transparent and publicly accessible and encourages greater transparency. Publishing an annual report from the committee.</p>	<p>throughout reports with jargon kept to a minimum. Chair meets with other Committee Chairs on a regular basis to understand assurance arrangements to avoid duplication. Evidence noted that the Council meets statutory deadlines for financial reporting. The Audit and Scrutiny Committee reviews the Annual Governance Statement to ensure it accurately assesses the adequacy of governance arrangements. <i>No Annual Report is prepared as the Audit and Scrutiny Committee membership is 15 elected members and 2 independent members.</i></p>	
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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.