



Committee and Date

Audit Committee

6th December 2018

13:30 pm

Item

Public

AUDIT COMMITTEE SELF-ASSESSMENT OF GOOD PRACTICE

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1. Summary

Members are asked to review and comment on the self-assessment of good practice questionnaire attached to this report. The questionnaire allows members to assess the effectiveness of the Audit Committee and identify whether there are any further improvements that could be made which would improve its overall effectiveness. The Self-Assessment has identified high levels of compliance with accepted good practice. A few areas of non-compliance with good practice have, nonetheless, been identified and this needs to be considered and appropriate action taken.

2. Recommendations

Members are asked to:

- A. Consider the self-assessment of good practice attached at **Appendix A and C**. Identify any errors or amendments required.
- B. Identify the further work, actions or training required resulting from completion of the self-assessment of good practice and the analysis of training requirements attached at **Appendix B**
- C. Provide the necessary input to enable the action plan to be reviewed and revised to improve areas of weakness.

REPORT

3. Risk Assessment and Opportunities Appraisal

3.1 The Audit Committee has a key function in ensuring effective corporate governance, risk and control arrangements are in place in the Council. The effectiveness of the committee should be judged by the contribution it makes to, and beneficial impact it has on, the Council's business. A good standard of performance against recommended practice, together with a knowledgeable and experienced membership, are essential requirements which empower an effective Audit Committee. By reviewing effectiveness annually using a good practice self-assessment, it can be established that the Committee is demonstrating a high degree of performance, is soundly based, and has a knowledgeable membership unimpaired in any way. Completion of the self-assessment can also be used to support the planning of the Audit Committee work programme and its training plans, and inform the Committee's annual report to Council.

3.2 The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998. There are no direct environmental, equalities, consultation or climate change consequences of this proposal.

4. Financial Implications

There are no financial implications in terms of reviewing the assessment but any resulting activities may require funding if they are not already allowed for in the base budget.

5. Background

5.1 The Chartered Institute of Public Finance and Accountancy, CIPFA, has produced updated guidance on the function and operation of audit committees; 'Audit Committees in Local Authorities and Police, 2018 edition'. The guidance represents CIPFA's view of best practice for Audit Committees in local authorities throughout the UK.

5.2 In the guidance, CIPFA has built upon the 2013 suggested self-assessment against recommended practice. Authorities are encouraged to use the checklist to determine if they are meeting recommended practice and as an indicator of the Committee's effectiveness; following which any changes or improvements identified to enhance the Committee's performance should be managed.

5.3 The Section 151 Officer and the Head of Audit have completed an initial review of the self-assessment, based on information from previous assessments and with knowledge of the Committee's compliance with recommended practices, for members to consider, discuss and amend as appropriate. Members of the Audit Committee considered the 2013 assessment model in some detail at a training session in October 2017 and an externally facilitated session in March 2018. Annual refreshers are undertaken with Member involvement and reported to this Committee. In preparation for 2018/19, the self-assessment has been updated and circulated to members for consideration prior to this meeting, attached as **Appendix A**.

- 5.4 The refreshed assessment highlights in ***bold underlined italics*** the changes made by CIPFA in its 2018 edition for members to consider in more detail. There have been no changes to membership since the previous training skills evaluations were completed and therefore no further updates are sought on these.
- 5.5 Continued learning from the original training self-assessments is important and the data extracted continues to be used to inform training sessions and identify areas for continued improvement. Information from self-assessments is considered against ongoing requests from committee members in response to current topics.
- 5.6 Training sessions provided since October 2017 have included:
- Effectiveness of the Audit Committee, facilitated by CIPFA which led to an action plan.
 - A tour for Audit Committee members of the digital transformation improvements in the Customer Relationship Management service.
 - The Committee’s role in governance and an update on the latest guidance.
 - Audit Committee and Risk Management.
 - Audit Committee and VFM.
 - Financial resilience, how can the Committee be assured of this?
 - Commissioning as a strategic risk.
- 5.7 In addition to training sessions the following information has been shared with and between members:
- A councillor’s workbook on bribery and fraud prevention, Local Government Association (LGA).
 - Round-up for Audit Committees, National Audit Office (NAO).
- In addition, some members attended Grant Thornton’s, Midlands Audit Committee Forum.
- 5.8 **Appendix B** provides a summary from the two self-assessments, detailed in 5.3 above, showing the areas members have identified for future focus and refresh sessions and where updated training has been provided.
- 5.9 Following the current review of the Audit Committee self-assessment of good practice, a few areas of partial compliance were identified and question 13 was not currently applicable. These are summarised below with the proposed actions to improve for members to consider as components in an action plan looking forward.

SAR ¹	Partial compliance	Proposed action
5	Does the audit committee provide support to the authority in meeting the requirements of good governance?	Members continue to consider areas identified for improvement in the Annual Governance Statement against their work and training plans, to ensure coverage of all

¹ SAR = Self-assessment reference

SAR ¹	Partial compliance	Proposed action
		areas the committee requires assurances from.
12	Has an effective audit committee structure and composition of the committee been selected? <ul style="list-style-type: none"> An appropriate mix of knowledge and skills among the membership 	Consider feedback from skills self-assessment for members, results in Appendix B .
18	Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?	Committee sees this as an ongoing theme. It has received support from CIPFA on this to help assess its performance.
19	Has the committee evaluated whether and how it is adding value to the organisation?	The proposed action at 5 above, will continue to ensure this in addition to completing the self-assessment: Evaluating the effectiveness of the audit committee.

Do members support or wish to adjust the findings of the self-assessment?

5.10 Compliance against the self-assessment can be demonstrated. Members are asked to endorse the self-assessment of good practice and agree to proposed areas for improvement and identify any additional areas or training needs.

<p>List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information) CIPFA: Audit Committees in Local Authorities and Police, 2018 edition</p>
<p>Cabinet Member (Portfolio Holder) Peter Nutting (Leader of the Council) and Peter M Adams (Chairman of Audit Committee)</p>
<p>Local Member n/a</p>
<p>Appendices A Self-assessment of good practice November 2018 B Analysis of training requirements and the effectiveness of the Audit Committee based on the 2017 self-assessments C Self-assessment of good practice November 2018 showing evidence</p>

Appendix A: Self-assessment of Good Practice November 2018

Good practice questions		Yes	Partly	No
Audit Committee purpose and governance				
1.	Does the authority have a dedicated audit committee?	✓		
2.	Does the audit committee report directly to full council?	✓		
3.	Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's Position Statement?	✓		
4.	Is the role and purpose of the audit committee understood and accepted across the authority?	✓		
5.	Does the audit committee provide support to the authority in meeting the requirements of good governance?		✓	
6.	Are the arrangements to hold the committee to account for its performance operating satisfactorily?	✓		
Functions of the committee				
7.	Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement?			
	<ul style="list-style-type: none"> • Good governance 	✓		
	<ul style="list-style-type: none"> • Assurance framework, <i>including partnerships and collaboration arrangements</i> 	✓		
	<ul style="list-style-type: none"> • Internal audit 	✓		

Good practice questions		Yes	Partly	No
	<ul style="list-style-type: none"> External audit 	✓		
	<ul style="list-style-type: none"> Financial reporting 	✓		
	<ul style="list-style-type: none"> Risk management 	✓		
	<ul style="list-style-type: none"> Value for money or best value 	✓		
	<ul style="list-style-type: none"> Counter-fraud and corruption 	✓		
	<ul style="list-style-type: none"> <u>Supporting the ethical framework</u> 	✓		
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?	✓		
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?	✓		
10.	Where coverage of core areas has been found to be limited, are plans in place to address this?	✓		
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?	✓		
Membership and support				
12.	<p>Has an effective audit committee structure and composition of the committee been selected?</p> <p>This should include:</p>		✓	

Good practice questions		Yes	Partly	No
	<ul style="list-style-type: none"> • Separation from the executive 	✓		
	<ul style="list-style-type: none"> • An appropriate mix of knowledge and skills among the membership 		✓	
	<ul style="list-style-type: none"> • A size of committee that is not unwieldy 	✓		
	<ul style="list-style-type: none"> • <u>Consideration has been given to the inclusion of at least one independent member (where this is not already a mandatory requirement).</u> Where independent members are used, that they have been appointed using an appropriate process. 	✓		
13.	<u>Have independent members appointed to the committee been recruited in an open and transparent way and approved by the full council?</u>			N/A
14.	Does the chair of the committee have appropriate knowledge and skills?	✓		
15.	Are arrangements in place to support the committee with briefings and training?	✓		
16.	Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?	✓		
17.	Does the committee have good working relations with key people and organisations, including external audit, internal audit and the chief financial officer?	✓		
18.	Is adequate secretariat and administrative support to the committee provided?	✓		
Effectiveness of the committee				
19.	Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?		✓	

Good practice questions		Yes	Partly	No
20.	<u>Are meetings effective with a good level of discussion and engagement from all the members?</u>	✓		
21.	<u>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?</u>	✓		
22.	<u>Does the committee make recommendations for the improvement of governance, risk and control and are these acted on?</u>	✓		
23.	Has the committee evaluated whether and how it is adding value to the organisation?		✓	
24.	Does the committee have an action plan to improve any areas of weakness?	✓		
25.	<u>Does the committee publish an annual report to account for its performance and explain its work?</u>	✓		

Appendix B: Analysis of training requirements based on 2017 self-assessments.

Training requirements

Level of confidence reported in skills set and knowledge across most committee members

H	High
M	Medium
L	Low

Rank	Skills: Core	Evidence of training since April 2017
H ²	Organisational knowledge	October 2017 ³
H	Audit Committee role and functions	June 2017, March and October 2018
H	Governance	June 2017, September 2018
H	Internal Audit	June 2017
H	Financial management and accounting	June 2017, September 2018
H	External Audit	June 2017
H	Risk Management	June and October 2017, September 2018
H	Counter-fraud	December 2017
H	Values of good governance	June 2017
M	Treasury management	June 2017
H	Strategic thinking and understanding of materiality	
H	Questioning and constructive challenge	
H	Focus on improvement	September 2018
H	Able to balance practicality against theory	
H	Clear communication skills and focus on the needs of users	

² Based on 4/9 completed

³ Contract management

Audit Committee, 6 December 2018: Audit Committee Self-Assessment of good practice

Skills: Specialist		
L	Accountancy	
L	Internal Audit	June 2017
L	Risk Management	June and October 2017, September and November 2018
L	Governance and Legal	October 2017 ⁴
M	Service knowledge relevant to the functions of the organisation	
M	Programme and project management	
L	IT system and IT governance	November 2018
Analysis of the effectiveness of Audit Committee based on 2017 self-assessments		
M ⁵	Promoting the principles of good governance and their application to decision making.	
M	Contributing to the development of an effective control environment.	
M	Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks.	
M	Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively.	
M	Supporting the quality of the internal audit activity, particularly by underpinning its organisational independence.	
M	Aiding the achievement of the authority's goals and objectives through helping to ensure appropriate governance, risk, control and assurance arrangements.	
M	Supporting the development of robust arrangements for ensuring value for money.	
M	Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risk.	
M	Promoting effective public reporting to the authority's stakeholders and local community and measures to improve transparency and accountability.	

⁴ Contract management

⁵ Based on 3/9 completion

Appendix B2: Progress to date against the proposed improvement plan for an effective Audit Committee reported June 2018

Promoting the principles of good governance and their application to decision making

1. Improve engagement with Cabinet members – Actioned.

Audit Committee (AC) members considered the rationale against which they require managers, Internal or External Audit to provide assurances on specific matters, and the Portfolio Holder when these need to be escalated. This will be considered at training sessions and meetings in the future as part of a risk based approach.

2. Include AC members on AGS working groups - Actioned

As part of the Annual Governance process, in June each year, the AC receive and review a copy of the AGS and are asked to comment on the framework. This is set out as an Annex to the AGS. This demonstrates the process followed in agreeing and compiling the AGS. Members received training on the AGS framework to support their knowledge base further (Sept 2018).

Contributing to the development of an effective control environment

3. For rejected recommendations and slow implementation, could portfolio holders be more involved? – Actioned.

This was considered as part of 1 above.

4. Need to understand how matters are referred to the administration (chief executive, senior management and other members) – Actioned.

This was considered as part of the training in Sept. 2018: The Committee's role in governance and an update on the latest guidance

Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risk

5. Could risk owners be more involved in reporting on risks to the AC? Actioned.

Training in Sept. 2018 explored this as part of an Audit Committee and Risk Management session. Members agreed to invite risk owners more frequently to both meetings and training sessions.

6. Need to clarify reporting of concerns up through the organisation (e.g. from departments to senior management to members) – linked to 4? Actioned.

This was considered as part of the training in Sept. 2018: The Committee's role in governance and an update on the latest guidance

Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively

7. Develop a more structured understanding of the assurance activities and assurance provided to the AC. **Actioned**
Agendas have been reformatted to demonstrate more transparently where assurances are being provided from.
A session on different assurance providers and how they feed into the AGS was provided at the Sept 2018 session on the Committee's role in governance

Supporting the quality of the internal audit activity, particularly by underpinning its organisational independence

8. Audit to provide more explanation regarding the importance and relevance of the items they present. **Actioned and ongoing.**
Committee reports will be considered by officers and members and where further clarity is required this will be sought and delivered. Training sessions are used to explore issues prior to the formal reporting to committee, examples are governance and risk management frameworks.
9. Audit Committee members to help improve awareness of the assurance framework, including the work of Internal Audit, and governance structures to non-committee members. **Actioned and ongoing.**
A session on different assurance providers and how they feed into the AGS was provided at the Sept 2018 session on the Committee's role in governance to aid members in their deliver of this.

Aiding the achievement of the authority's goals and objectives through helping to ensure appropriate governance, risk, control and assurance arrangements

10. Are strategic areas for improvement being reported sufficiently often to the AC? And how is this done? **Actioned.**
The Sept. 2018 training session showed the relationships between the AGS, strategic risks and the AC work plan. Strategic risks highlight the areas for improvement. Members can and do request subsequent where more information is required. An example of this is the request for the Commercial strategic risk to be explored at an Audit Committee training session in November 2018

Supporting the development of robust arrangements for ensuring value for money

11. Setting of financial strategy and interim budget reports to AC. **Actioned.**
Financial resilience, how can the committee be assured of this was a session at the Sept 2018 training. Members explored the information they receive and what, if further assurance reports are required on finance strategies and budget reports.
12. Reports to members from officers could state what they are doing to deliver VFM. **Actioned and ongoing.**

This is being trialled in Committee reports where relevant. It is recognised that the improvement of all controls to mitigate and minimise risk, reduces costs and improves efficiencies which leads to better VFM.

13. Need to decide what the authority means by VFM. **Actioned and ongoing.**

The Sept. 2018 training sessions presented members with the findings of a VFM survey and exercise which identified who knew what about VFM.

Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks

14. Is the whistleblowing policy public enough? Members receive an annual whistleblowing report on the public agenda and the policy is available to all. The accessibility of this and its communication to be considered at the November 2018 training session of the Committee.

15. Audit Committee access to the fraud risk register. Planned for November 2018.

16. Fraud training for the Audit Committee. Refresh training planned for November 2018.

Promoting effective public reporting to the authority's stakeholders and local community and measures to improve transparency and accountability

17. Could more use be made of social media? Planned for November 2018.

Appendix C: Self-assessment of Good Practice showing evidence

	Good practice questions	Yes/ No/ Partly	Evidence
	Audit Committee purpose and governance		
1.	Does the authority have a dedicated audit committee?	Yes	Constitution/ actual meetings, details on internet.
2.	Does the audit committee report directly to full council?	Yes	ToR ⁶ paragraph (para) 43/44 , reviewed, revised and reapproved at December Audit Committees.
3.	Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's Position Statement?	Yes	ToR from para 10 reviewed, revised and reapproved at December Audit Committees.
4.	Is this role and purpose of the audit committee understood and accepted across the authority?	Yes	Officers and members are aware of this – there can be some confusion over the scrutiny/ audit committee role at times, this is worked on by key members and officers at every opportunity. Officers and Portfolio Holders are invited to Audit Committee to discuss major risks and control issues, examples can be provided from various agendas. Discussions take place between the Chairman, CEO, senior officers and Portfolio Holders as required.

⁶ Terms of reference

	Good practice questions	Yes/ No/ Partly	Evidence
			Member training is sometimes extended to a wider member audience The annual report from Committee to Council informs all members of the Committee's activities.
5.	Does the audit committee provide support to the authority in meeting the requirements of good governance?	Partly	<p>ToR para <u>10-19</u>. ToR Para <u>45</u>, j. The Committee's work plan identifies areas of governance that it provides support on, this can be seen in Committee agendas at March meetings. The Annual Assurance report to Council presented to the June Committee also demonstrates this. Members during November could participate in a survey evaluating ethics and doing the right thing in the Council, the results from which will be fed back to the Committee.</p> <p>Proposed Action: <i>Members continue to consider areas identified for improvement in the Annual Governance Statements against their work and training plans, to ensure coverage of all areas the committee requires assurances from.</i></p>
6.	Are the arrangements to hold the committee to account for its performance operating satisfactorily?	Yes	<p>No complaints from Council. Annual report to Council appears on June Audit Committee agenda allows members to comment and challenge the Committee's work. Evidence that the Committee is reviewing issues aligned to the Strategic Risks of the Council and the Annual Governance Statement action plans</p>

	Good practice questions	Yes/ No/ Partly	Evidence
			Proposed Action: <i>An action to review this, to keep it current, is included above.</i>
	Functions of the committee		
7.	Do the committee's terms of reference explicitly address all the core areas identified in CIPFAs 2018 Position Statement?	Yes	
	<ul style="list-style-type: none"> • Good governance 		ToR para <u>10</u> +
	<ul style="list-style-type: none"> • Assurance framework <i>including partnerships and collaboration arrangements</i> 		ToR para <u>10</u> +
	<ul style="list-style-type: none"> • Internal audit (IA) 		ToR para <u>20</u> +
	<ul style="list-style-type: none"> • External audit 		ToR para <u>32</u> +
	<ul style="list-style-type: none"> • Financial reporting 		ToR para <u>38</u> +
	<ul style="list-style-type: none"> • Risk management 		ToR para <u>14</u> +
	<ul style="list-style-type: none"> • Value for money or best value 		ToR para <u>12</u> +
	<ul style="list-style-type: none"> • Counter-fraud and corruption 		ToR para <u>17</u> +

	Good practice questions	Yes/ No/ Partly	Evidence
	<ul style="list-style-type: none"> • <u>Supporting the ethical framework</u> 		<u>ToR para 11+</u>
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	<p>Evaluation is through the:</p> <ul style="list-style-type: none"> • Self-assessment of compliance with this best practice document, reported to December. • Annual report to Committee is written to map back to the terms of reference. • Annual work plan, reported to March_Committee, which maps back to the ToR. • Agendas, minutes and reports of Committee support that all core areas are being reviewed.
9.	Has the audit committee considered the wider area identified in CIPFA's Position Statement and whether it would be appropriate for the committee to undertake them?	Yes	<p>Wider areas are:</p> <ul style="list-style-type: none"> • Matters at the request of Statutory Officers or other committees – if these are brought to the Committee they would be considered in line with the ToR, para <u>7</u>. • Ethical Values – The Committee does not have responsibility for reviewing ethical standards. A separate Standards Committee which has this responsibility is held as and when required. <u>However,</u>

	Good practice questions	Yes/ No/ Partly	Evidence
			<p><u>the Committee supports standards and ethics, para 11+.</u></p> <ul style="list-style-type: none"> • Treasury Management – The Committee covers this responsibility as evidenced by its ToR para 40+.
10.	Where coverage of core areas has been found to be limited, are plans in place to address this?	Yes	<p>No limitations have been found, evidence is demonstrated openly on the Internet in the:</p> <ul style="list-style-type: none"> • Work plan • Regular Committee reports • ToR • Annual report to Council • Lack of negative feedback from Council and statutory officers <p>Proposed Action: <i>The proposed action at 5 above, will continue to ensure this.</i></p>
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	<p>ToR, especially para 46, sets out decision making powers. Review of work plans, agendas, reports and minutes demonstrate this, all are available on the Internet.</p>
	Membership and support		

	Good practice questions	Yes/ No/ Partly	Evidence
12.	Has an effective audit committee structure and composition of the committee been selected? This should include:	Partly	
	<ul style="list-style-type: none"> Separation from the executive 	Yes	ToR, para 1 Where it has been recognised that Members have conflicting responsibilities, they have resigned from the Committee.
	<ul style="list-style-type: none"> An appropriate mix of knowledge and skills among the membership 	Partly	ToR, para 47+ <u>This is demonstrated by self-assessments completed by Members in 2017 used to inform</u> the training plans covered in publicly available reports on the Committee's work plan (March) and the annual report to Council (June). Members have wide experience and continuity of knowledge, some of which sit on Audit Committee's for other public-sector organisations, members also have private business knowledge, financial, and governance awareness. Where members feel further knowledge or training is required they can and do raise this, demonstrated through work, training plans and self-assessments. Proposed Action: <i>Consider future training requirements and feed into training plans.</i>
	<ul style="list-style-type: none"> A size of committee that is not unwieldy 	Yes	ToR, para 1
	<ul style="list-style-type: none"> <u>Consideration has been given to the inclusion of at least one</u> 	Yes	There are currently no independent members on the Committee. Appointment would follow good recruitment

	Good practice questions	Yes/ No/ Partly	Evidence
	<p><u>independent member (where this is not already a mandatory requirement).</u> Where independent members are used, that they have been appointed using an appropriate process.</p>		<p>processes including evaluation of the skills sets required, advertising, clear job specifications and descriptions, selection and awarding processes.</p> <p><u>Consideration has been given to such an appointment and provision is made in the ToR, para 3.</u></p>
13.	<p><u>Have independent members appointed to the committee been recruited in an open and transparent way and approved by the full council?</u></p>	N/A	As above.
14.	<p>Does the chair of the committee have appropriate knowledge and skills?</p>	Yes	<p>Completion of self-assessment confirms appropriate knowledge and skills are in place. Evidenced by attendance at Committee and resulting recommendations and minutes, available on public web sites.</p> <p>The Chair also works closely with the S151 Officer and Head of Audit to retain current knowledge and management of risks as they develop.</p> <p><u>The Chair can identify and influence future training requirements for himself and other Committee members.</u></p>
15.	<p>Are arrangements in place to support the committee with briefings and training?</p>	Yes	<p>Regular training sessions are agreed with the Chair and wider members of the Committee. Demonstrated by:</p>

	Good practice questions	Yes/ No/ Partly	Evidence
			<ul style="list-style-type: none"> • Completion of the skills assessment (completed autumn 2017). • Committee work plan (March Committee agenda) • Evidence of training including agendas, supporting training documents etc. available on request. • CIPFA’s Better Governance Framework provides members with up to date briefing papers at least twice a year and all members can access the web site which provides weekly updates. Specialist training sessions are also accessible through this subscription. • External auditors provide training sessions available to members – demonstrated in their updates to the Committee. <p>Proposed Action: <i>The proposed action at 12 above, will continue to ensure this.</i></p>
16.	Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?	Yes	Training self-assessments have been shared with members autumn 2017 and are informing the training plan looking forward.

	Good practice questions	Yes/ No/ Partly	Evidence
17.	Does the committee have good working relations with key people and organisations, including external audit, internal audit and the chief financial officer?	Yes	Demonstrated by regular attendance at all Committees by these key stakeholders and the professional way the meetings are managed. Interviews with all parties would help to support this conclusion.
18.	Is adequate secretariat and administrative support to the committee provided?	Yes	Regular qualified and experienced secretarial support is provided to all Committee meetings.
	Effectiveness of the committee		The Committee evaluated its effectiveness with members working through and completing a self-assessment to feed into this overall assessment, and following workshops internally and externally facilitated. In addition, completion of the skills and training requirements help support this assessment. Results from the externally facilitated self-assessment were fed back to the Committee at the June 2018 meeting.
19.	Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?	Partly	Committee has received verbal feedback from members, officers and external audit, but no formal feedback. <u>The external facilitator in March 2018 did not identify this as an issue.</u> <u>Members have since received sessions on how the Committee feeds into the governance framework for further assurance.</u>
20.	<u>Are meetings effective with a good level of discussion and engagement from all the members?</u>	<u>Yes</u>	<u>Demonstrated in minutes and by attendees at Committee and by clear requests for further information in a few high-risk areas.</u>

	Good practice questions	Yes/ No/ Partly	Evidence
21.	<u>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?</u>	<u>Yes</u>	<u>Demonstrated in agendas, minutes and reports of the Committee. All unsatisfactory and limited audit areas are reported to Committee and members invite officers from such areas to provide management updates on progress against agreed control improvements.</u>
22.	<u>Does the committee make recommendations for the improvement of governance, risk and control and are these acted on?</u>	<u>Yes</u>	<u>Where there is a need to escalate such issues further the Committee would do this through known member and officer channels. Clarity has been provided and explored at governance training sessions on how this works in practice.</u>
23.	Has the committee evaluated whether and how it is adding value to the organisation?	Partly	<p>Demonstrated by the year-end report sent to Council in September (agreed by Audit Committee in June) which sets out delivery in the following areas:</p> <ul style="list-style-type: none"> • Promoting the principles of good governance and their application to decision making; advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively • Contributing to the development of an effective control environment

	Good practice questions	Yes/ No/ Partly	Evidence
			<ul style="list-style-type: none"> • Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks • Supporting the quality of the internal audit activity, particularly by underpinning its organisational independence • Aiding the achievement of the authority’s goals and objectives through helping to ensure appropriate governance, risk, control and assurance arrangements • Supporting the development of robust arrangements for ensuring value for money • Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks • Promoting effective public reporting to the authority’s stakeholders and local community and measures to improve transparency and accountability <p><u>In addition, agendas and work is planned and shows clearly where the levels of assurance are coming from,</u></p>

	Good practice questions	Yes/ No/ Partly	Evidence
			<u>providing opportunity to challenge and ensure a balanced information base is received by members.</u>
24.	Does the committee have an action plan to improve any areas of weakness?	Yes	<u>Results from the externally facilitated self-assessment were fed back to the Committee at the June 2018 meeting. This incorporated an action plan. Appendix B2 incorporates an update against agreed activities.</u>
25.	<u>Does the committee publish an annual report to account for its performance and explain its work?</u>	<u>Yes</u>	<u>Annual report to Council appears on June Audit Committee agenda allows members to comment and challenge the Committee's work. This is a public report.</u>