



Committee and Date

Audit Committee

22 February 2022

10 am

Item

Public

Audit Committee Self-Assessment 2021

Responsible Officer James Walton

e-mail: James.walton@shropshire.gov.uk Tel: 01743 258915

1. Synopsis

Shropshire Council's Audit Committee aims to comply with the Chartered Institute of Public Finance and Accountancy's guidance on the function and operation of audit committees. There is significant compliance with the code and an improvement plan to address partial compliance.

2. Executive 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. With the Audit Committee membership being relatively new the self-assessment will help identify where there remain high levels of compliance with accepted good practice. There are a few areas of partial compliance with good practice, these are identified to be considered and to have appropriate action taken.

3. Recommendations

Members are asked to:

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

REPORT

4. Risk Assessment and Opportunities Appraisal

- 4.1. The Audit Committee has a key function in ensuring effective corporate governance, risk and control arrangements are in place within 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 is essential and can also be used to support the planning of the Audit Committee work programme, its training plans and inform the Committee's annual report to Council.
- 4.2. The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998. There are no direct environmental, equalities or consultation consequences of this proposal.

5. Financial Implications

- 5.1. 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.

6. Climate Change Appraisal

- 6.1. This report does not directly make decisions on energy and fuel consumption; renewable energy generation; carbon offsetting and mitigation; or on climate change adaption. Therefore, no effect to report.

7. Background

- 7.1. The Chartered Institute of Public Finance and Accountancy, CIPFA, produced 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.

- 7.2. Shropshire Council has used this guidance to self-assess the Audit Committee against this recommended practice as an indicator of the Committee's effectiveness; following which any changes or improvements identified to enhance the Committee's performance should be managed.
- 7.3. This is the first year of activity and therefore assessment of the current Audit Committee. 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. In preparation for 2021/22, the self-assessment has been updated and circulated to members for consideration prior to this meeting, attached as **Appendix A**.
- 7.4. Given the changes to membership, new training skill evaluations have been completed and considered as part of this exercise. Information from self-assessments is considered against ongoing requests from committee members in response to current training topics.
- 7.5. Training sessions provided since inception of the Committee in May 2021 have included:
- Member induction: The Key Role of Audit Within the Council's Governance Framework
 - Audit Committee
 - Terms of reference
 - Timetable and work plans
 - Member skills and experience
 - Independent member
 - Governance
 - Three lines of assurance
 - Shropshire Council's Governance framework
 - Annual Governance Statement
 - Internal Audit year end opinion
 - Internal audit
 - Risk management
 - External audit
 - Counter fraud
 - Finances
 - Revenue outturn
 - Capital outturn
 - Treasury Management
 - Statement of Accounts
 - What to expect from Internal Audit reports?
 - Counter Fraud
 - Audit Committee self-assessment
 - Financial Statements
 - Risk Management

- 7.6. In addition to training sessions the following information has been shared with and between members:
- CIPFA Audit Committees Practical Guidance for Local Authorities 2018
 - Audit Committee work plans and Terms of Reference
 - CIPFA Audit Committee updates covering
 - Supporting improvements to risk management arrangements
 - Defining the relationship between the audit committee and the scrutiny function
 - New consultation on local audit and audit committee arrangements
 - Regular briefing on new developments
 - Fraud prevention training
- 7.7. **Appendix B** provides a summary from the self-assessment detailed above, showing the areas members have identified for future focus, refresh sessions and where training has been provided.
- 7.8. 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.

SAR¹	Partial compliance	Proposed action
4	Is the role and purpose of the audit committee understood and accepted across the authority?	Members continue to raise awareness as to the role and purpose of the Audit Committee and the value that can be added by all to improve governance, risk management and internal controls. Members can refer others to the Induction training of Audit.
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 areas the committee requires assurances from.
12	Has an effective audit committee structure and composition of the committee been selected?	The Audit Committee structure provides representation from the three major political groups. New members are having knowledge of

¹ SAR = Self-assessment reference

SAR¹	Partial compliance	Proposed action
	<ul style="list-style-type: none"> An appropriate mix of knowledge and skills among the membership. 	<p>Audit broadened and enhanced by consideration of their relevant training requirements and the development of future training plans.</p> <p>Training planned December, January and February</p>
19	Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?	Members continue to seek ways of obtaining such feedback. This is seen as an ongoing theme.
23	Has the committee evaluated whether and how it is adding value to the organisation?	Members continue to challenge how they can add value to the Council.

7.9. *Do members wish to make any adjustments to the self-assessment?*

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

Cabinet Member (Portfolio Holder)

Lezley Picton, Leader of the Council and Brian Williams, Chairman of Audit Committee

Local Member

N/A

Appendices

A Self-assessment of good practice November 2021

B Audit Committee – self assessment supporting information: Knowledge and Skills baseline assessment August 2021

B2 Improvement plan for an effective Audit Committee to be refreshed annually in December

C Self-assessment of good practice showing evidence

Appendix A: Self-assessment of Good Practice November 2021

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, including partnerships and collaboration arrangements 	✓		

Good practice questions		Yes	Partly	No
	<ul style="list-style-type: none"> • Internal audit 	✓		
	<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"> • Supporting the ethical framework 	✓		
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				

Good practice questions		Yes	Partly	No
12.	Has an effective audit committee structure and composition of the committee 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	✓		
	• Consideration has been given to the inclusion of at least one independent member (where this is not already a mandatory requirement).	✓		
13.	Have independent members appointed to the committee been recruited in an open and transparent way and approved by the full council?			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?	✓		

Good practice questions		Yes	Partly	No
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?	✓		
20.	Are meetings effective with a good level of discussion and engagement from all the members?	✓		
21.	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?	✓		
22.	Does the committee make recommendations for the improvement of governance, risk and control and are these acted on?	✓		
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.	Does the committee publish an annual report to account for its performance and explain its work?	✓		

Appendix B: Audit Committee – self assessment supporting information: Knowledge and Skills baseline assessment August 2021

	Confident > Comfortable > Not Confident					Rank
Overview of the governance structures of the Council and decision-making processes. Knowledge of the organisational objectives and major functions of the Council	Confident	Confident	Comfortable	Comfortable	Comfortable	M
An understanding of the audit committee’s role and place within the governance structures. Familiarity with the committee’s terms of reference and accountability arrangements. Knowledge of the purpose and role of the audit committee.	Confident	Confident	Confident	Comfortable	Not Confident	M
Awareness of the key principles of the Public Sector Internal Audit Standards and the Local Government Application Note. Knowledge of the arrangements for delivery of the internal Audit service in the authority and how the role of the head of internal audit is fulfilled	Comfortable	Comfortable	Comfortable	Not Confident	Not Confident	M
Awareness of the financial statements that a local authority must produce and the principles it must follow to produce them. Understanding of good financial management principles. Knowledge of how the organisation meets the requirements of the role of the chief financial officer, as required by the CIPFA Statement on the Role of the Chief Financial Officer in Local Government.	Confident	Comfortable	Comfortable	Not Confident	Not Confident	M
Knowledge of the role and functions of the external auditor and who currently undertakes this role; the key reports and assurances that external audit will provide; arrangements for the appointment of auditors and quality monitoring undertaken.	Confident	Confident	Confident	Confident	Comfortable	H
Understanding of the principles of risk management, including linkage to good governance and decision making. Knowledge of the risk management policy and strategy of the organisation. Understanding of risk governance arrangements, including the role of members and of the audit committee	Confident	Confident	Comfortable	Not Confident	Not Confident	M

	Confident > Comfortable > Not Confident					Rank
Understanding of the main areas of fraud risk the organisation is exposed to. Knowledge of the principles of good fraud risk management practice. Knowledge of the organisation's arrangements for tackling fraud.						M
Knowledge of the Seven Principles of Public Life. Knowledge of the authority's key arrangement to uphold ethical standards for both members and staff. Knowledge of the whistleblowing arrangements in the authority.						H
Aware that the Effectiveness Scrutiny of Treasury Management is an assessment tool for reviewing the arrangements for undertaking scrutiny of treasury management. The key knowledge areas identified are: - <ul style="list-style-type: none"> regulatory requirements treasury risks the organisation's treasury management strategy the organisation's policies and procedures in relation to treasury management. 						L
Able to focus on material issues and overall position, rather than being side-tracked by detail.						M
Able to frame questions that draw out relevant facts and explanations.						H
Able to understand the reasons for weaknesses in internal control and seek assurances that a solution will be found, providing clear challenge to ensure that actions and allocations of responsibility are clear.						M
Able to understand the practical implications of recommendations to understand how they might work in practice.						M
Able to support the use of plain English in communications, avoiding jargon, acronyms, etc.						H

	Yes<>No<>Partially					Rank
Knowledge gained from a professional qualification in accountancy						L
Knowledge gained from a professional qualification in internal audit						L
Risk management qualification or practical experience of applying risk management or knowledge of risks and opportunities associated with major areas of activity.						M
Legal qualification and knowledge of specific areas of interest to the committee, for example, constitutional arrangements, data protection or contract law.						L
Direct experience of managing or working in a service area similar to that operated by the authority.						L
Knowledge of relevant legislation, risks and challenges associated with major service areas which will help the audit committee to understand the operational context						M
Project management qualifications or practical knowledge of project management principles.						L
Knowledge gained from management or development work in IT.						L

Key to ranking

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

- H High
- M Medium
- L Low

Training delivered and planned for 2021/22

Rank	Skills: Core	Evidence of training since April 2021
M ²	Organisational knowledge	

² Based on 5/8 completed responses in August 2021. All permanent members completed the evaluation.

Rank	Skills: Core	Evidence of training since April 2021
M	Audit Committee role and functions	June 2021 ³ (MI); June 2021 ⁴ (AC); Sept 2021
M	Governance	June 2021 (MI) (AC); Sept 2021
M	Internal Audit	June 2021 (MI); Sept 2021
M	Financial management and accounting	June 2021 (MI) (AC); Planned December 2021
H	External Audit	June 2021 (MI) (AC)
M	Risk Management	June 2021 (AC); Planned December 2021
M	Counter-fraud	June 2021 (AC); Sept 2021
H	Values of good governance	June 2021 (MI) (AC); Sept 2021
L	Treasury management	June 2021 (AC); Planned Jan 2022
M	Strategic thinking and understanding of materiality	
H	Questioning and constructive challenge	
M	Focus on improvement	Sept 2021
M	Able to balance practicality against theory	
H	Clear communication skills and focus on the needs of users	
	Skills: Specialist	
L	Accountancy	June 2021 (MI) (AC)
L	Internal Audit	June 2021 (MI) (AC); Sept 2021
M	Risk Management	June 2021 (AC); Planned December 2021
M	Governance and Legal	June 2021 (MI) (AC)
L	Service knowledge relevant to the functions of the organisation	Sept 2021
L	Programme and project management	
L	IT system and IT governance	
	Analysis of the effectiveness of Audit Committee	
	Promoting the principles of good governance and their application to decision making.	
	Contributing to the development of an effective control environment.	

³ (MI) Member Induction available to all, not restricted to Audit Committee members

⁴ AC) Member training specific to Audit Committee

Rank	Skills: Core	Evidence of training since April 2021
	Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks.	
	Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively.	
	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 risk.	
	Promoting effective public reporting to the authority's stakeholders and local community and measures to improve transparency and accountability.	

Appendix B2: Improvement plan for an effective Audit Committee to be refreshed annually in December

SAR⁵	Partial compliance	Proposed action	Review December 2022
4	Is the role and purpose of the audit committee understood and accepted across the authority?	Members continue to raise awareness as to the role and purpose of the Audit Committee and the value that can be added by all to improve governance, risk management and internal controls. Members can refer others to the Induction training of Audit.	
5	Does the audit committee provide support to the authority in	Members continue to consider areas identified for improvement in the Annual	

⁵ SAR = Self-assessment reference

SAR⁵	Partial compliance	Proposed action	Review December 2022
	meeting the requirements of good governance?	Governance Statement against their work and training plans, to ensure coverage of all areas the committee requires assurances from.	
12	<p>Has an effective audit committee structure and composition of the committee been selected?</p> <ul style="list-style-type: none"> • An appropriate mix of knowledge and skills among the membership. 	<p>The Audit Committee structure provides representation from the three major political groups. New members are having knowledge of Audit broadened and enhanced by consideration of their relevant training requirements and the development of future training plans.</p> <p>Training planned December, January and February</p>	
19	Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?	Members continue to seek ways of obtaining such feedback. This is seen as an ongoing theme	
23	Has the committee evaluated whether and how it is adding value to the organisation?	Members continue to challenge how they can add value to the Council.	

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, Terms of Reference Actual meetings, details on internet.
2.	Does the audit committee report directly to full council?	Yes	ToR ⁶ paragraph (para) 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?	Partially	Key officers and members are aware. This may not be fully embedded with new members ⁷ to the Council and sometimes there is confusion over the scrutiny/ audit committee role. Awareness 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. Discussions take place between the Chairman, CEO, senior officers and Portfolio Holders as required.

⁶ Terms of reference

⁷ Induction presentations have been delivered on this topic

	Good practice questions	Yes/ No/ Partly	Evidence
			<p>Member training is sometimes extended to a wider member audience, an example of which will be the Treasury Management training planned January 2022 The annual report from Committee to Council informs all members of the Committee’s activities.</p> <p>Proposed Action: <i>Members continue to raise awareness as to the role and purpose of the Audit Committee and the value that can be added by all to improve governance, risk management and internal controls.⁸</i></p>
5.	Does the audit committee provide support to the authority in meeting the requirements of good governance?	Partly	<p>ToR para 9-18. ToR Para 44. The Committee’s work plan identifies areas of governance that it provides support on, this is further demonstrated by Committee agendas. The Annual Assurance report to Council presented to the June/ July Committee confirms this and the Annual Governance Statement identifies significant areas for improvement which the Committee can focus on.</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>

⁸ Blue italics proposed actions are picked up and formulate the improvement plan for the Audit Committee

	Good practice questions	Yes/ No/ Partly	Evidence
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 July Audit Committee agenda allows members to comment and challenge the Committee's work.</p> <p>Evidence that the Committee is reviewing issues aligned to the Strategic Risks of the Council and the Annual Governance Statement action plans.</p> <p>Proposed Action: <i>An action to review this, to keep it current, is included in 5 above.</i></p>
	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 9+
	<ul style="list-style-type: none"> • Assurance framework including partnerships and collaboration arrangements 		ToR para 9+
	<ul style="list-style-type: none"> • Internal audit (IA) 		ToR para 19+
	<ul style="list-style-type: none"> • External audit 		ToR para 31+
	<ul style="list-style-type: none"> • Financial reporting 		ToR para 37+

	Good practice questions	Yes/ No/ Partly	Evidence
	<ul style="list-style-type: none"> • Risk management 		ToR para 13+
	<ul style="list-style-type: none"> • Value for money or best value 		ToR para 11+
	<ul style="list-style-type: none"> • Counter-fraud and corruption 		ToR para 16+
	<ul style="list-style-type: none"> • Supporting the ethical framework 		<i>ToR para 10+</i>
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	Evaluation is through the: <ul style="list-style-type: none"> • Self-assessment of compliance with this best practice document, reported in December. • Annual report to Council 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	Wider areas are: <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 6.

	Good practice questions	Yes/ No/ Partly	Evidence
			<ul style="list-style-type: none"> • 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. <i>However, the Committee supports standards and ethics, para 10+.</i> • Treasury Management – The Committee covers this responsibility as evidenced by its ToR para 41+.
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 public forums 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	Yes	ToR, especially para 45, sets out decision making powers.

	Good practice questions	Yes/ No/ Partly	Evidence
	any decision-making powers that are not in line with its core purpose?		Review of work plans, agendas, reports and minutes demonstrate this, all are available publicly.
	Membership and support		
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 at any time 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 46+ <i>This is demonstrated by self-assessments completed by Members⁹ used to inform the training plans covered in publicly available reports on the Committee’s annual work plan (February) and the annual report to Council (June/ July).</i> Most members, whilst new to the Committee, have wide experience of public-sector organisations, private business knowledge, internal controls, risk management, 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.

⁹ Completed 2021 to provide a baseline for new members.

	Good practice questions	Yes/ No/ Partly	Evidence
			<p>The Audit Committee meets the requirements of political balance and the Chairman has served for many years on this Committee.</p> <p>Proposed Action: <i>The Audit Committee structure provides representation from the three major political groups. New members are having knowledge of Audit broadened and enhanced by consideration of their relevant training requirements and the development of future training plans.</i></p> <p><i>Training planned December, January and February</i></p>
	<ul style="list-style-type: none"> • A size of committee that is not unwieldy 	Yes	ToR, para 1
	<ul style="list-style-type: none"> • Consideration has been given to the inclusion of at least one independent member (where this is not already a mandatory requirement). 	Yes	<p>There are currently no independent members on the Committee. Appointment would follow good recruitment processes including evaluation of the skills sets required, advertising, clear job specifications and descriptions, selection and awarding processes.</p> <p><i>Consideration has been given to such an appointment during training sessions and provision is made in the ToR, para 3.</i></p>
13.	Have independent members appointed to the committee been recruited in an open and	N/A	As above.

	Good practice questions	Yes/ No/ Partly	Evidence
	transparent way and approved by the full council?		
14.	Does the chair of the committee have appropriate knowledge and skills?	Yes	<p>Completion of self-assessment confirms appropriate knowledge and skills are in place. Evidenced by attendance and behaviour at Committee and resulting recommendations and minutes, available publicly</p> <p>The Chair has extensive experience and works closely with the S151 Officer and Head of Audit to retain current knowledge and management of risks.</p> <p>The Chair can identify and influence future training requirements for all Committee members.</p>
15.	Are arrangements in place to support the committee with briefings and training?	Yes	<p>Demonstrated by:</p> <ul style="list-style-type: none"> • Completion of the skills assessment (completed Summer 2021). • Committee work plan (February/March Committee agenda) • Evidence of regular training including agendas, training documents etc. available on request. • CIPFA's Better Governance Framework provides members with briefing papers at least twice a year and all members can access the web site which provides weekly updates. Specialist training

	Good practice questions	Yes/ No/ Partly	Evidence
			<p>sessions are also accessible through this subscription.</p> <ul style="list-style-type: none"> External auditors provide regular 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	<p>Training self-assessments have been shared with members, summer 2021, and refreshes of the Audit Committee work plan and self-assessment inform the training plan looking forward. There are areas to build upon given the experience of members.</p> <p>Proposed Action: <i>The proposed action at 12 above, will continue to ensure this</i></p>
17.	Does the committee have good working relations with key people and organisations, including external audit, internal audit and the chief financial officer?	Yes	<p>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.</p>
18.	Is adequate secretariat and administrative support to the committee provided?	Yes	<p>Regular qualified and experienced secretarial support is provided to all Committee meetings.</p>
	Effectiveness of the committee	Not fully assessed.	<p>The Committee's structure, work plan and areas covered in training and committee support an effective committee.</p>

	Good practice questions	Yes/ No/ Partly	Evidence
			With mostly new members this year, the Committee needs to be operating for a minimum of a full year, seeing the full cycle of activity, before it can truly reflect its total effectiveness.
19.	Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?	Partly	Committee receives verbal feedback from members, officers and external audit, but no formal feedback. Proposed Action: Members continue to seek ways of obtaining such feedback. This is seen as an ongoing theme
20.	Are meetings effective with a good level of discussion and engagement from all the members?	Yes	Demonstrated in minutes and by attendees at Committee and by clear requests for further information in a few high-risk areas.
21.	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?	Yes	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.
22.	Does the committee make recommendations for the improvement of governance, risk and control and are these acted on?	Yes	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.

	Good practice questions	Yes/ No/ Partly	Evidence
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 July) 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 • 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

	Good practice questions	Yes/ No/ Partly	Evidence
			<ul style="list-style-type: none"> • 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>In addition, agendas and work is planned and shows clearly where the levels of assurance are coming from, providing opportunity to challenge and ensure a balanced information base is received by members.</p> <p>Proposed Action: <i>Members continue to challenge how they can add value to the Council.</i></p>
24.	Does the committee have an action plan to improve any areas of weakness?	Yes	Results from this self-assessment are incorporated into an action plan. Appendix B2.
25.	Does the committee publish an annual report to account for its performance and explain its work?	Yes	Annual report to Council appears in June/ July Audit Committee agenda allows members to comment and challenge the Committee’s work. This is a public report.