



<b>Audit Committee</b>	<b>Wednesday, 04 October 2023</b>	<b>Matter for Information and Decision</b>
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**Report Title:** **Audit Committee Self Assessment Approach**

**Report Author(s):** **Andrew Kidder (Interim Finance Manager)**

<b>Purpose of Report:</b>	To inform members of the 2022 publication of CIPFA's latest updated Position Statement on the purpose, model, core functions and membership of the audit committee.
<b>Report Summary:</b>	To advise Members of CIPFAs updated position statement on the purpose, model, core functions and membership of the audit committee and to offer practical guidance and self-assessment tools to inform a consideration of the effectiveness of the Audit Committee through the identification of best practice principles and training needs for members in fulfilling their roles.
<b>Recommendation(s):</b>	<b>That the Committee:</b> <b>A. Notes the contents of the Report and Appendices;</b> <b>B. Establishes a 3-member working group from the Audit Committee to work with the Head of Finance to undertake a Self-Assessment and Training Needs Analysis.</b>
<b>Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):</b>	Sal Khan (Interim Strategic Director) (0116) 257 2690 <a href="mailto:sal.khan@oadby-wigston.gov.uk">sal.khan@oadby-wigston.gov.uk</a>  Bev Bull (Head of Finance / Interim Section 151 Officer) (0116) 257 2649 <a href="mailto:bev.bull@oadby-wigston.gov.uk">bev.bull@oadby-wigston.gov.uk</a>  Andrew Kidder (Interim Finance Manager) 0116 257 2694 <a href="mailto:andrew.kidder@oadby-wigston.gov.uk">andrew.kidder@oadby-wigston.gov.uk</a>
<b>Strategic Objectives:</b>	Our Council (SO1)
<b>Vision and Values:</b>	"Our Borough - The Place To Be" (Vision) Resourceful & Resilient (V4)
<b>Report Implications:-</b>	
Legal:	There are no implications directly arising from this report.
Financial:	There are no implications directly arising from this report.
Corporate Risk Management:	Decreasing Financial Resources / Increasing Financial Pressures (CR1) Reputation Damage (CR4) Economy / Regeneration (CR9)

Equalities and Equalities Assessment (EA):	There are no implications directly arising from this report. EA not applicable
Human Rights:	There are no implications directly arising from this report.
Health and Safety:	There are no implications directly arising from this report.
<b>Statutory Officers' Comments:-</b>	
Head of Paid Service:	The report is satisfactory.
Chief Finance Officer:	The report is satisfactory.
Monitoring Officer:	The report is satisfactory.
<b>Consultees:</b>	Senior Leadership Team
<b>Background Papers:</b>	None.
<b>Appendices:</b>	<ol style="list-style-type: none"> <li><b>1.</b> CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022 a Self- Assessment of Good Practice</li> <li><b>2.</b> Self-Assessment of Audit Committee Best Practice</li> <li><b>3.</b> Self-Assessment of Audit Committee Individual Training Needs</li> </ol>

## **1. Introduction**

- 1.1 In October 2022, the Chartered Institute of Public Finance & Accountancy (CIPFA) published an updated position Statement on Audit Committees in Local Authorities and Police 2022. This is attached at Appendix 1. This 2022 edition of the position statement replaces the 2018 edition.
- 1.2 The statement represents CIPFA's view on the audit committee practice and principles that local government bodies in the UK should adopt. It has been prepared in consultation with sector representatives. There is an expectation that all local government bodies should make their best efforts to adopt the principles, aiming for effective audit committee arrangements. This will enable local authorities to meet their statutory responsibilities for governance and internal control arrangements, financial management, financial reporting and internal audit.
- 1.3 The guidance continues to include a strong focus on the factors that support improvement, including knowledge and skills that Audit Committee members require and a focus on where the Audit Committee adds value. It also provides practical support in evaluating the existing committee and planning any improvements identified.

## **2. Overview of the Position Statement on Audit Committees in Local Authorities**

- 2.1 The CIPFA position Statement on Audit Committees in Local Authorities covers:
- Purpose of the Audit Committee
  - Independence and effectiveness
  - Core Functions
  - Financial and governance reporting
  - Establishing appropriate and effective arrangements for audit and assurance
  - Audit Committee Membership
  - Impact
  - Training Needs

### **3. Self-Assessment**

- 3.1 The supporting guidance recommends Audit Committees adopt a self-assessment evaluation approach in supporting an assessment against recommended practice to inform and support the Audit Committee. Appendix 2 to this report provides a template for a self-assessment which covers how effective the current Audit Committee is collectively and whether it follows best practice principles.
- 3.2 The supporting guidance also recommended that a training needs analysis of the Audit Committee (AC) is undertaken. Appendix 3 to this report provides the template for such a self-assessment to be completed.
- 3.3 It is recommended that a working group of three representatives from the Audit Committee is formed who will meet to undertake the self-assessment of the audit committee and the knowledge and skills assessment. This will be undertaken with the support of the Head of Finance (Interim Section 151 Officer).
- 3.4 The findings of the working group and self-assessment will be reported back to Audit Committee in January 2024. The outcomes will feed into an action plan for 2024 as well as identifying training needs for existing members.