

AUDIT COMMITTEE: 29 November 2016

AUDIT COMMITTEE SELF-ASSESSMENT 2016-17

REPORT OF CORPORATE DIRECTOR RESOURCES

AGENDA ITEM: 6.3

Reason for Report

1. The Audit Committee's Terms of Reference requires that members attend relevant training sessions in accordance with the Member Development Programme, including specialist training tailored for Members of the Audit Committee.
2. To provide the Audit Committee with an update on the results of the Committee's Self-Assessment Workshop that was completed on the 19 September 2016.

Background

3. Since January 2014, Members have received an annual report considering a self-assessment of the effectiveness of the Audit Committee. The self-assessments have either been completed as a facilitative workshop or as a desktop review.
4. The decision was taken that the 2016 self-assessment was to be a workshop, as one had not taken place for two years.
5. The Self-Assessment Framework used was based on best practice guidance from CIPFA, the requirements of the Local Government Measure and local knowledge of the Council. The workshop was facilitated by the Principal Auditor – Risk & Governance
6. The September 2016 workshop enabled Members of the Committee to undertake an assessment. The Self-Assessment Questionnaire was made up of twenty seven questions and Members were given the option of answering yes, no or partly to each question. All questions were answered and twenty three questions were answered as yes and three as partly and one as no. A copy of the assessment can be found at Appendix A.
7. Following completion of the assessment questionnaire an Action Plan was produced. The outcome represented six 'Proposed Improvement Actions' and two actions carried forward from the previous assessment.

Issues

8. The Action Plan highlighted in Appendix B provides an update based on the position at September 2016. These actions and considerations looked to address the questions within the assessment which could only be answered in part or not at all.
9. The self-assessment identified that the membership of the Audit Committee had not been assessed against the core knowledge and skills framework. Whilst there were no concerns in respect of the competence of the members of the Committee, the Action Plan proposes that Audit Committee members are assessed against the Knowledge and Skills Framework. This is in order to provide assurance to the Audit Committee, that as a collective, the key skills required are present. It is recommended that it is trialled on a low impact basis in January 2017 with a view to a deeper analysis later on in the year.
10. The three areas that were identified as partly complete related to the terms of reference of the Audit Committee. Whilst it was recognised that the terms of reference was primarily clear in setting out its objectives, there was room for improvement, particularly in regard to good governance and value for money. It was agreed that a review of the terms of reference of the Audit Committee was needed in order to provide further clarity of purpose and this would be complemented by some form of communication newsletter from the Audit Committee outlining its work and purpose.
11. Two actions were taken forward from the previous self-assessment. The Audit Committee reinforced the importance of being assured that there was optimum use of Audit resources and wanted to emphasise the importance of continuing to monitor the performance of the Audit function. The second item related to ensuring that the relationship between Audit Committee and Scrutiny was clearly defined in order to ensure the best use of the members of the respective committees.

Legal Implications

12. There are no direct legal implications arising from this report.

Financial Implications

13. There are no direct financial implications arising from this report.

Recommendations

14. That the Audit Committee approves the Action Plan set out in Appendix B.

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CORPORATE DIRECTOR RESOURCES

The following Appendices are attached:

Appendix A – Audit Committee Self-Assessment

Appendix B – Audit Committee Self-Assessment Action Plan – September 2016