

## Rother District Council

<b>Report to:</b>	Audit and Standards Committee
<b>Date:</b>	26 July 2023
<b>Title:</b>	Audit and Standards Committee Self-assessment March 2023
<b>Report of:</b>	Deputy Chief Executive (Interim)
<b>Purpose of Report:</b>	This report sets out the results of the Committee's first self-assessment and identifies actions to help improve the effectiveness of the Committee.
<b>Officer Recommendation(s):</b>	It be <b>RESOLVED</b> : That the Committee note the contents of the report and agree to the implementation of the improvements identified, subject to any amendments agreed.

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### Introduction

1. The Chartered Institute for Public Finance and Accountancy (CIPFA) document on "Audit Committees - practical guidance for local authorities and police (2018)" sets out the guidance on the function and operation of Audit Committees. It represents CIPFA's view of best practice. The guidance states "the purpose of an Audit Committee is to provide those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes".
2. The Section 151 Officer has overarching responsibility for discharging the requirement for sound financial management, and to be truly effective requires an Audit Committee to provide support and challenge.
3. Good Audit Committees are characterised by balanced, objective, independent knowledgeable and properly trained Members, a membership that is supportive of good governance principles, a strong independently minded Chair, an unbiased attitude and the ability to challenge when required.
4. It is therefore good practice for Audit Committees to complete a regular self-assessment exercise, to be satisfied that the Committee is performing effectively.
5. In addition, the Public Sector Internal Audit Standards also call for the Audit Committee to assess their remit and effectiveness, in relation to Purpose, Authority and Responsibility, to facilitate the work of this Committee.
6. As part of Grant Thornton's Value for Money (VfM) assessment for 2021/22 accounts, as presented to the Committee on 20 March 2023, recommendation

6 was that the Council implement a rolling schedule of committee effectiveness reviews and this process will help to support that improvement.

7. The updated guidance provides two tools against which the Committee can assess itself; the first (self-assessment of good practice) supports an assessment against recommended practice to inform and support the Committee, the second assessment tool (evaluating the effectiveness of the Audit Committee) helps Audit Committee Members to consider where it is most effective and where there may be scope to do more. To be effective the Committee should be able to identify evidence of its impact or influence aligned to specific improvements.
8. CIPFA also produce a knowledge and skills framework for Committee Members to use to support their own personal development.

### **Completing the Self-assessment**

9. As the Committee had not completed the self-assessment process before, a session was facilitated by the Interim Chief Finance Officer during April 2023 to allow the Committee Members to discuss and complete the first draft of the assessment template and supporting action plan.
10. Whilst it was acknowledged that the timing was not ideal due to the impending elections in May, it was felt that the current Committee Members would be able to assess the previous year's performance, whereas new incoming Members would not. It is positive to note that several previous Committee Members have again gained seats on the Committee and that the same Chair is in place.
11. The assessment has also been reviewed by the Audit Committee Independent Person and comments reflected where appropriate.
12. **Appendix 1** attached to this report provides the completed self-assessment good practice guide and associated improvement actions. It is recommended that Members discuss and agree the improvement actions identified along with timescales for completing them.
13. **Appendix 2** contains the knowledge and skills framework for Audit Committee Members. In terms of personal development and effectiveness for Members, it is recommended that they individually complete this checklist to help identify any areas of understanding which may need to be strengthened.

### **Conclusion**

14. Completing the self-assessment helps to give the Committee assurance that it is complying with best practice and operating effectively. It will also help to identify any areas which need to be improved and can form the basis of an action plan prior to next year's self-assessment in March 2024. Undertaking a regular review of its performance against best practice ensures that the Committee has properly assessed the way in which it discharges its duties.

Other Implications	Applies?	Other Implications	Applies?
Human Rights	No	Equalities and Diversity	No
Crime and Disorder	No	External Consultation	No
Environmental	No	Access to Information	No
Risk Management	No	Exempt from publication	No

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Appendices:	A	Completed Self-assessment and action plan	
	B	Audit Committee Members – knowledge and skills framework	
Relevant Previous Minutes:	N/A		
Background Papers:	N/A		
Reference Documents:	The Chartered Institute for Public Finance and Accountancy (CIPFA) document on “Audit Committees - practical guidance for local authorities and police (2018)”		