

<b>Report to:</b>	<b>Audit Panel</b>
<b>Date:</b>	Tuesday, 21 November 2023
<b>Reporting Officer:</b>	Chair of the Audit Panel
<b>Subject:</b>	<b>CIPFA Audit Committee Effectiveness - Self-Assessment</b>
<b>Report Summary:</b>	For the Audit Panel to collaboratively discuss and agree the proposed draft annual self-assessment checklist at <b>Appendix 1</b> based on the latest CIPFA guidance (2022) on the function and operation of Audit Committees. This follows the report to Audit Panel in March 2023. Link: <a href="#">Audit Panel Report CIPFA Effectiveness Appendix 1</a> <a href="#">Appendix 2</a> <a href="#">Appendix 3</a> <a href="#">Appendix 4</a> <a href="#">Appendix 5</a>
<b>Recommendations:</b>	That the Audit Panel discuss and agree the proposed draft annual self - assessment checklist and any actions required to improve effectiveness.
<b>Corporate Plan:</b>	Through the Terms of Reference, the Audit Panel provides assurance to the Council that the risks associated with the delivery of Corporate Plan are being managed.
<b>Policy Implications:</b>	Sound governance arrangements, including an effective Audit Panel helps to ensure that the Council's plans, strategies, and policies are delivered.
<b>Financial Implications:</b> (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	No financial implications arising.
<b>Legal Implications:</b> (Authorised by the Borough Solicitor)	Audit Panels are a key component of an authority's governance framework. Their purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. Undertaking a self-assessment of their effectiveness, supports the Panel's role in ensuring that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance that those arrangements are effective.
<b>Risk Management:</b>	A significant aspect of the Audit Panel's oversight is risk management. The Panel's review of its effectiveness in this area, provides further assurance and confidence that the Council's most significant / material risks are being managed appropriately.
<b>Access to Information:</b>	Non - confidential
<b>Background Information:</b>	The background papers relating to this report can be inspected by contacting Carol McDonnell, Head of Assurance: Telephone: 0161 342 3231 e-mail: <a href="mailto:Carol.McDonnell@tameside.gov.uk">Carol.McDonnell@tameside.gov.uk</a>

## 1. INTRODUCTION

- 1.1 CIPFA have recently published an updated Statement and Guidance on the function and operation of Audit Committees in local authorities and police bodies, replacing their 2018 guidance.
- 1.2 The new guidance includes improvement tools for the Committee to use to inform an evaluation of the Committee's effectiveness. The Guidance comprises of a high-level effectiveness tool to undertake a self-assessment.

## 2. SELF-ASSESSMENT

- 2.1 The self- assessment was circulated to Audit Panel Members for comment on 26 September 2023 by Councillor Naylor (Former Chair of the Audit Panel) requesting comments to be returned by 13 October 2023. Comments received have been incorporated into the draft checklist at **Appendix 1** which Members are now requested to discuss and agree.
- 2.2 Proposed improvements arising from Appendix 1 for Members' comments and / or to add to are as follows:

Ref	Improvement Proposed	Action / Responsibility / Timescale
4, 8	The evaluation asks whether the Audit Panel's terms of reference clearly sets out the purpose of the Panel in accordance with CIPFA's 2022 Position Statement (4) and whether the Panel publishes an annual report in accordance with the 2022 guidance, including compliance with the CIPFA Position Statement 2022.	The Audit Panel's terms of reference will be reviewed to include specific reference to CIPFA's 2022 Position Statement. Head of Assurance March 2024
	While the current terms of reference for the Panel states 'to undertake the functions of an Audit Committee in accordance with the CIPFA Statement on Audit Committees in Local Authorities', it does not specifically reference the 2022 guidance.	
	While the Audit Panel's Annual Report for 2022/23 met the requirements of the code, it was published prior to this self-evaluation (Augst 2023). The 2023/24 Annual Report should include the outcome of this self-evaluation against the 2022 Code.	The 2023/24 Audit Panel Annual Report will include the outcome of the self-evaluation against the 2022 Code. Head of Assurance March 2024
9	The evaluation requests that the Panel's terms of reference explicitly addresses all the core areas identified in CIPFA's Position Statement. While the current terms of reference are comprehensive, further detail could be added to the following sections: <ul style="list-style-type: none"><li>• Internal control arrangements, including financial management, value for money, ethics and standards.</li><li>• Assurance framework.</li></ul>	The Audit Panel's terms of reference will be reviewed to include specific references outlined. Head of Assurance March 2024

<b>Ref</b>	<b>Improvement Proposed</b>	<b>Action / Responsibility / Timescale</b>
10	The evaluation asks whether over the last year, adequate consideration has been given to all core areas. A new Audit Panel work plan was introduced in August 2023 for 2023/24 which now addresses core areas. This will need to be fully delivered / embedded.	Maintenance and delivery of the new work plan to be undertaken. Head of Assurance March 2024
12	The Code requires the Panel to have met privately with the external auditors and head of internal audit in the last year. While the facility for this exists as part of the new 2023/24 work plan, this is seldom taken up.	To consider holding one designated pre or post Audit Panel meeting per year for a private session with internal and external audit. Head of Assurance March 2024
15	The Code requires an evaluation of knowledge, skills and training needs of the chair and committee members to have been carried out within the last two years. While formal Audit training has been given to members in 2022/23 and 2023/24 a formal evaluation has not yet been completed.	Training evaluation of Chair of Committee members to be undertaken to inform future training provision. Head of Assurance March 2024

### **3. CONCLUSION**

- 3.1 Through this self-assessment, the Audit Panel is able to demonstrate that it has reviewed its own effectiveness and agreed actions for improvement. It is suggested that the Audit Panel monitor improvement against these actions towards the end of this Municipal year as it continues to continuously improve into 2023/24.

### **4. RECOMMENDATIONS**

- 4.1 As set out at the front of the report.