

## Audit and Performance Committee Annual Report

### Appendix 2 - Review of Effectiveness - Self-assessment Outcome and Proposed Actions

The table below sets out each of the elements of the CIPFA Self-Assessment Checklist to be considered when reviewing the effectiveness of the Audit and Performance Committee.

The CIPFA Self-Assessment Checklist contains the following categories for scoring a Committee's effectiveness and considering whether further actions are required in the Committee's arrangements to be in line with best practice.

Score	Level of improvement indicated	Level of compliance
0	Major improvement	Does not comply
1	Significant improvement	Partially complies and extent of improvement needed
2	Moderate improvement	
3	Minor improvement	
5	No further improvement	Fully complies

The Score column represents the average rounded score for the self-assessment questionnaires completed by members of the Committee. The Proposed Actions column sets out actions to be taken to bring the Committee to full compliance under the Standards. Where the assessment is that the Committee already fully complies no further actions are proposed.

CIPFA Self-Assessment Checklist	Score	Proposed Actions/Improvements	Target Date
<b>Audit committee purpose and governance</b>			
1 Does the authority have a dedicated audit committee that is not combined with other functions (e.g. standards, ethics, scrutiny)?	4	The Committee's Terms of Reference has been reviewed and presented to the Committee for comments before going on to General Purposes Committee (as part of the wider review of the Council's Constitution) and then for approval by Full Council.	July 2024  By March 2025
2 Does the audit committee report directly to the governing body (PCC and chief constable/full council/full fire authority, etc)?	5		
3 Has the committee maintained its advisory role by not taking on any decision-making powers?	5		
4 Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's 2022 Position Statement?	5		
5 Do all those charged with governance and in leadership roles have a good understanding of the role and purpose of the committee?	5	Further briefings for the Committee agreed through the self-assessment workshop.	Committee Work Programme for 2024/25

<b>CIPFA Self-Assessment Checklist</b>	<b>Score</b>	<b>Proposed Actions/Improvements</b>	<b>Target Date</b>
<b>6</b> Does the audit committee escalate issues and concerns promptly to those in governance and leadership roles?	5		
<b>7</b> Does the governing body hold the audit committee to account for its performance at least annually?	4	The Annual Report of the Committee to Full Council will include an assessment of the Committee's performance and a summary of the review of effectiveness.	July 2024
<b>8</b> Does the committee publish an annual report in accordance with the 2022 guidance, including:		See proposed action against 7 above which covers this.	July 2024
a) compliance with the CIPFA Position Statement 2022	4		
b) results of the annual evaluation, development work undertaken and planned improvements	4		
c) how it has fulfilled its terms of reference and the key issues escalated in the year?	4		
<b>Functions of the committee</b>			
<b>9</b> Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement as follows?			
a) Governance arrangements	5		
b) Risk management arrangements	5		
c) Internal control arrangements, including: financial management, value for money, ethics and standards, counter fraud and corruption	5		
d) Annual governance statement	4	An informal briefing on the Annual Accounts provided to the Committee will include a briefing on the Annual Governance Statement.	September 2024 and annually
e) Financial reporting	4	See proposed action for 9 d) above.	As 9 d) above
f) Assurance framework	4	See proposed action for 9 d) above.	As 9 d) above
g) Internal audit	5		
h) External audit	4		
<b>10</b> Over the last year, has adequate consideration been given to all core areas?	5		
<b>11</b> Over the last year, has the committee only considered agenda items that align with its core functions or selected wider functions, as set out in the 2022 guidance?	4	The Committee's Terms of Reference has been reviewed in light of the CIPFA Position Statement and is presented to the Committee for comments before going on for approval by Full Council.	July 2024

<b>CIPFA Self-Assessment Checklist</b>	<b>Score</b>	<b>Proposed Actions/Improvements</b>	<b>Target Date</b>
<b>12</b> Has the committee met privately with the external auditors and head of internal audit in the last year?	2	An annual meeting will be scheduled between the Committee and the External Auditor immediately before the meeting held to consider the external auditor's Annual Report on the Council's Accounts.	September 2024 and annually
<b>Membership and support</b>			
<b>13</b> Has the committee been established in accordance with the 2022 guidance as follows?			
a) Separation from executive	5		
b) A size that is not unwieldy and avoids use of substitutes	5		
c) Inclusion of lay/co-opted independent members in accordance with legislation or CIPFA's recommendation	5		
<b>14</b> Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled?	4	Briefing topics have been identified from the discussion of the CIPFA Knowledge and Skills Framework which are included in Action 2 the draft Action Plan below.	Committee Work Programme for 2024/25
<b>15</b> Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out within the last two years?	3	See action in 14 above.	As 14 above
<b>16</b> Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance?	4	See action in 14 above.	As 14 above
<b>17</b> Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance?	4	See action in 14 above.	As 14 above
<b>18</b> Is adequate secretariat and administrative support provided to the committee?	5		
<b>19</b> Does the committee have good working relations with key people and organisations, including external audit, internal audit and the CFO?	5		
<b>Effectiveness of the committee</b>			
<b>20</b> Has the committee obtained positive feedback on its performance from those interacting with the committee or relying on its work?	4	The Committee will continue to seek feedback from its Independent Member, the external auditor, from senior Council officers and from Councillors (through the presentation of the Annual Report of the Committee to Full Council).	July 2024 and ongoing
<b>21</b> Are meetings well chaired, ensuring key agenda items are addressed with a focus on improvement?	5		
<b>22</b> Are meetings effective with a good level of discussion and engagement from all the members?	5		

<b>CIPFA Self-Assessment Checklist</b>	<b>Score</b>	<b>Proposed Actions/Improvements</b>	<b>Target Date</b>
<b>23</b> Has the committee maintained a non-political approach to discussions throughout?	5		
<b>24</b> 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?	5		
<b>25</b> Does the committee make recommendations for the improvement of governance, risk and control arrangements?	5		
<b>26</b> Do audit committee recommendations have traction with those in leadership roles?	4	The Action Tracker will continue to be presented at each meeting to demonstrate that actions recommended by the Committee have been taken or followed up where this is not the case.	July 2024 and ongoing
<b>27</b> Has the committee evaluated whether and how it is adding value to the organisation?	4	The Annual Report of the Committee to Full Council will include an assessment of the Committee's performance and a summary of the review of effectiveness (item 7) and by seeking ongoing feedback from internal and external stakeholders (item 20).	July 2024 and ongoing
<b>28</b> Does the committee have an action plan to improve any areas of weakness?	4	A draft Action Plan summarising the actions identified above from the Review of Effectiveness workshop held with the Committee in May 2024 is set out below. The action plan will be incorporated into the Action Tracker for future meetings to ensure all actions are completed.	September 2024 and ongoing
<b>29</b> Has this assessment been undertaken collaboratively with the audit committee members?	5		

## Audit and Performance Committee - Review of Effectiveness - Draft Action Plan

No	Proposed Action	Target date
1	The Committee's Terms of Reference has been reviewed in light of the Self-Assessment and in light of the CIPFA Position Statement and will be presented to the Committee for comments before going on to General Purposes Committee (as part of the wider review of the Council's Constitution) and then for approval by Full Council.	July 2024 (APC) By March 2025 (Full Council)
2	Further briefings for the Committee have been identified through the self-assessment workshop and will be delivered as part of the Committee's Work Programme for 2024/25, including: <ul style="list-style-type: none"> <li>• Risk Management arrangements and Risk Management Strategy</li> <li>• Information security and cyber security arrangements</li> <li>• New Global Internal Audit Standards to be introduced from 2025</li> <li>• The respective roles of Scrutiny and Audit committees</li> <li>• The CIPFA Financial Management Code</li> <li>• Committee Members would also be encouraged to attend sessions for Audit Committees run by CIPFA and the London Chairs of Audit Committees Forum.</li> </ul>	Committee Work Programme for 2024/25
3	The Annual Report of the Committee to Full Council will include an assessment of the Committee's performance and a summary of the review of effectiveness and the actions arising from that review.	July 2024 (APC) Sept 2024 (Council)
4	An informal briefing on the Annual Accounts provided to the Committee will include a briefing on the Annual Governance Statement.	September 2024 and annually
5	An annual meeting will be scheduled between the Committee and the External Auditor immediately before the meeting held to consider the external auditor's Annual Report on the Council's Accounts.	September 2024 and annually
6	The Committee will continue to seek feedback from its Independent Member, the external auditor, from senior Council officers and from Councillors (through the presentation of the Annual Report of the Committee to Full Council).	July 2024 and ongoing
7	The Action Tracker will continue to be presented at each meeting to demonstrate that actions recommended by the Committee have been taken or followed up where this is not the case.	July 2024 and ongoing
8	This action plan will be incorporated into the Action Tracker for future meetings to ensure all actions are completed.	September 2024 and ongoing
9	To undertake a light touch review of the self-assessment in twelve months' time to inform the 2024/25 Annual Report of the Committee	June 2025