

Bolsover District Council

**Meeting of the Audit and Corporate Overview Scrutiny Committee on 16th
March 2023**

Committee self-assessment for effectiveness

Report of the Assistant Director of Finance and Resources

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| Classification | This report is public |
| Report By | Assistant Director of Finance and Resources |
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PURPOSE / SUMMARY

To inform Members the reason for suspending the annual committee self-assessment process until 2023/24 financial year. To also update Members on the status of the action plan that resulted from the previous self-assessment.

REPORT DETAILS

1 Background

- 1.1 In November 2019 the Audit Committee used The Chartered Institute of Public Finance & Accountancy (CIPFA) Position Statement: Audit Committees in Local Authorities and Police 2018, to enable the committee to undertake a self-assessment.
- 1.2 In January 2020 an action plan was presented to the committee but unfortunately due to the Covid pandemic, the action plan was not followed up.
- 1.3 Therefore, in February 2022 the Audit and Corporate Overview Scrutiny Committee undertook the self-assessment again. An action plan was presented to the meeting in April 2022 based on the results.
- 1.4 The action plan identified a number of areas for improvement with the majority of issues identified being addressed by 2 main actions. These were: 1) the production of an annual report to Council detailing the work of the Audit and Corporate Overview Scrutiny Committee and its achievements and 2) the identification of any potential skill gaps committee Members may have, that could be addressed by training.
- 1.5 The April 2022 report recommended that a further self-assessment for effectiveness be undertaken at the end of the year.

2. Details of Proposal or Information

- 2.1 During 2022, CIPFA updated its 2018 Position Statement. CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022, includes new expectations in England following the Redmond Review. All authorities and police bodies are encouraged to use the publication to review and develop their arrangements in accordance with the Position Statement.
- 2.2 Audit Committees 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. The Committee'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.
- 2.3 In a local authority, full Council is the body charged with governance. The Audit Committee may be delegated some governance responsibilities but will be accountable to full Council. The Committee has oversight of both internal and external audit, together with the financial and governance reports, helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability.
- 2.4 The Audit Committee should be established so that it is independent of Executive decision making and able to provide objective oversight. It is an advisory committee that has sufficient importance in the authority so that its recommendations and opinions carry weight and have influence with the leadership team and those charged with governance.
- 2.5 The core functions of the Audit Committee are to provide oversight of a range of core governance and accountability arrangements, responses to the recommendations of assurance providers and helping to ensure robust arrangements are maintained.
- 2.6 The specific responsibilities include: Maintenance of governance, risk and control arrangements; Financial and governance reporting; Establishing appropriate and effective arrangements for audit and assurance.
- 2.7 CIPFA recommends that Audit Committee should have no other functions, and explicitly no decision making role. Where Audit and Scrutiny committees have been joined, as at Bolsover, it is recommended by CIPFA that these should be separated.
- 2.8 There is work currently under way to follow this guidance and re-introduce a standalone Audit Committee, by this Council. It is hoped this can be in time for the new municipal year.

- 2.9 With this in mind it is not considered appropriate to ask the Committee to carry out a self-assessment at this time. It is thought it would be more appropriate to establish the new committee, let the Members settle in and undertake the assessment towards the end of the next financial year.
- 2.10 However, to conclude the process of the last self-assessment undertaken and its resulting action plan, I have the following to update:
- 2.11 At its meeting of 13th September 2022, this Committee approved the Audit and Corporate Overview Scrutiny Committee part of the Scrutiny Annual Report which was presented to Council on 7th December 2022. Thus satisfying the first outstanding requirement of the action plan.
- 2.12 At the 26th of April 2022 meeting of this Committee, Members took away an extract from the 2018 guidance 'The Audit Committee Members – knowledge and skills framework'. A matrix was provided to enable Members to carry out their own assessment of their individual knowledge and skills requirements with any perceived skills gaps that could be addressed by training, reported back to a future Committee.
- 2.13 In addition training has been provided to Members during 2022/23 around financial scrutiny and the approval and auditing of financial statements. This therefore satisfies the final outstanding requirement of the action plan.

3 Reasons for Recommendation

- 3.1 This late in the municipal cycle it is not considered necessary for the Committee to undertake a self-assessment. It is felt it would be more appropriate to carry out the exercise once the new committee and possibly Members, are in situ in March or April 2024.

4 Alternative Options and Reasons for Rejection

- 4.1 None.

RECOMMENDATIONS

1. That the Audit and Corporate Overview Scrutiny Committee note the report.

Approved by Councillor Clive Moesby, Portfolio Holder for Finance

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| <u>IMPLICATIONS:</u> |
| <u>Finance and Risk:</u> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| Details: There are no direct financial implications arising from this report. |
| On behalf of the Section 151 Officer |

Legal (including Data Protection): Yes ☐ No ☒

Details: There are no legal or data protection issues arising directly from this report.

On behalf of the Solicitor to the Council

Environment:

Please identify (if applicable) how this proposal/report will help the Authority meet its carbon neutral target or enhance the environment.

Details:

Not applicable to this report

Staffing: Yes ☐ No ☒

Details:

There are no human resource implications arising directly from this report.

On behalf of the Head of Paid Service

DECISION INFORMATION

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| Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i> | No |
| Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In) | No |

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| District Wards Significantly Affected | None directly |
| Consultation: Leader / Deputy Leader <input type="checkbox"/> Executive <input type="checkbox"/> SLT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/> | Details: Portfolio Holder for Finance |

Links to Council Ambition: Customers, Economy and Environment.

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| DOCUMENT INFORMATION | |
| Appendix No | Title |
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| Background Papers | |
| <i>(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive you must provide copies of the background papers).</i> | |
| None | |