

Bolsover District Council

Meeting of the Audit Committee on 12th March 2024

Audit Committee Self Assessment for Effectiveness

Report of the Director of Finance and Section 151 Officer

Classification	This report is public.
Contact Officer	Director of Finance and Section 151 Officer Theresa Fletcher

PURPOSE/SUMMARY OF REPORT

To present for Member's information, CIPFA's Position Statement 2022: Audit Committees in Local Authorities and Police and the accompanying guidance, to enable the Committee to undertake a self-assessment.

REPORT DETAILS

1. Background

- 1.1 During 2022, CIPFA updated its Position Statement: Audit Committees in Local Authorities and Police. The statement sets out the purpose, model, core functions and membership of the Audit Committee. The statement represents CIPFA's view on the Audit Committee practice and principles that local government bodies in the UK should adopt, and it has been prepared in consultation with sector representatives. The 2022 edition of the position statement replaces the 2018 edition.
- 1.2 The practical guidance that accompanies the position statement has changed considerably from the 2018 version. The guidance is now split into 2 parts, the first part is "The Audit Committee member in a local authority" and the second part is called "Guiding the Audit Committee – supplement to the Audit Committee member guidance". I have attached the position statement to this report at **Appendix 1** for your information.
- 1.3 The guidance is only available as an on-line document and both parts together total over 100 pages. I've purchased the documents so am able to share them within our Audit Committee but because of their size I have not attached them to this report. They can be obtained by following this link [S:\Finance and Revs&Bens\Finance BDC\PUB\Audit Committee documents](#) or if you would prefer, please let me know and I can send a copy to you via email. I would suggest part 1

is most relevant to you as Audit Committee members, both parts contain the appendices of the guidance.

- 1.4 The Position Statement emphasises the importance of audit committees being in place in all principal local authorities and recognises that they are a key component of an authority's governance framework:

“The purpose of Audit Committees 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.”

- 1.5 The guidance covers:

- The purpose of Audit Committees
- The core functions of an Audit Committee
- Possible wider functions of an Audit Committee
- Independence and accountability
- Membership and effectiveness of the Audit Committee.

- 1.6 Appendix E of CIPFA's publication includes a self-assessment of good practice. This provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement and publication. Where an Audit Committee has a high degree of performance against the good practice principles, it is an indicator that the committee is soundly based and has in place a knowledgeable membership. These are the essential factors in developing an effective Audit Committee.

- 1.7 A regular self-assessment should be used to support the planning of the Audit Committee work programme and training plans and it will also inform the annual report.

- 1.8 It is proposed that the self-assessment of good practice in the new guidance is completed, you may recall we've done this in previous years. **Appendix 2** is a replication of the new self-assessment of good practice, but it can also be found in the publication by following the link in paragraph 1.3 of this report. Once completed, this will be reviewed and if necessary, an action plan will be presented to a future meeting of the Audit Committee.

2. Reasons for Recommendation

- 2.1 To inform Members of CIPFA's updated practical guidance and Position Statement for Audit Committees in local authorities and police 2022 edition, and to enable the Audit Committee to undertake a self-assessment.

3 Alternative Options and Reasons for Rejection

3.1 There are no alternative options for consideration, this report is for information.

RECOMMENDATION(S)

1. That the Audit Committee note the updated CIPFA guidance for Local Authority Audit Committees.
2. That the Audit Committee undertake the self-assessment in **Appendix 2** of the report.
3. That the completed self-assessment is reviewed and if necessary, an action plan be presented to a future meeting of the Audit Committee.

Approved by the Portfolio Holder - Cllr Clive Moesby, Executive Member for Resources

IMPLICATIONS.

Finance and Risk: Yes No

Details:

There are no direct financial implications arising from this report. However, failure to have in place an effective Audit Committee would increase governance risk to the Council.

On behalf of the Section 151 Officer

Legal (including Data Protection): Yes No

Details:

There are no direct implications arising 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 issues arising directly out of this report.

On behalf of the Head of Paid Service

DECISION INFORMATION

<p>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:</p> <p>Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i></p>	No
<p>Is the decision subject to Call-In? <i>(Only Key Decisions are subject to Call-In)</i></p>	No

<p>District Wards Significantly Affected</p>	All
<p>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"/></p>	Details:

<p>Links to Council Ambition: Customers, Economy and Environment.</p>

DOCUMENT INFORMATION	
Appendix No	Title
1	CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022.
2	Appendix E of CIPFA publication – Self assessment of good practice questions.

<p>Background Papers</p>
<p><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></p>
<p>None</p>