

Audit Committee Arrangements: Self-Assessment of Good Practice (March 2025)

(taken from CIPFA, *Audit Committees: Practical Guidance for Local Authorities and Police*, published October 2022)

CIPFA states that this checklist provides a high-level review that incorporates the key principles set out in CIPFA’s Position Statement on Audit Committees in Local Authorities, and the wider *Practical Guidance* publication referred to above. CIPFA states:

“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. A regular self-assessment should be used to support the planning of the audit committee work programme and training plans. It will also inform the annual report.”

	Good Practice Questions	Does not comply	Partially complies and extent of improvement needed			Fully complies	Comments
		Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement	

Audit Committee purpose and governance

1	Does the authority have a dedicated audit committee that is not combined with other functions (e.g. standards, ethics, scrutiny)?					✓	Dedicated Audit Committee established as a full, politically balanced committee of Council. Audit Committee is not combined with any other function.
2	Does the Audit Committee report directly to the governing body (PCC and chief constable/full council/full fire authority, etc)?					✓	An annual report from Audit Committee to Council was prepared for 2023/24 and will be prepared for the 2024/25 year.
3	Has the committee maintained its advisory role by not taking on any decision-making powers?					✓	

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4	Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's 2022 Position Statement?					✓	The Audit Committee's Terms of Reference were updated following the issue of CIPFA's updated guidance and Position Statement in 2022. CIPFA's Position Statement and suggested terms of reference for an Audit Committee have been adopted in full.
5	Do all those charged with governance and in leadership roles have a good understanding of the role and purpose of the committee?					✓	<p>A programme of training is currently being developed for all elected members following the elections taking place in May 2025. This training will involve the role and purpose of Audit Committee.</p> <p>The Chair of Audit Committee has met with the Chief Executive to discuss the role of the Committee and agreed that further meetings should be scheduled. Regular meetings take place between the Chair, Monitoring Officer and s151 Officer. The Leader and Deputy Leader have also attended Audit Committee meetings during the year and engaged in discussions with Audit Committee.</p>

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6	Does the audit committee escalate issues and concerns promptly to those in governance and leadership roles?					✓	A monitoring report / action log for Audit Committee enables the Committee to keep account of how issues raised are responded to and managed by those in leadership roles with which such issues have been raised.
7	Does the governing body hold the audit committee to account for its performance at least annually?					✓	See question 2 above. An annual report from Audit Committee, for the 2023/24 year, was considered by Council in September 2024. Council used the opportunity to ask questions of the Deputy Chair of Audit Committee, who presented the report, as to the role and performance of Audit Committee during the year. An annual report for 2024/25 will also be prepared for consideration by Council.
8	Does the committee publish an annual report in accordance with the 2022 guidance, including:						See question 2 above. An annual report from Audit Committee, for the 2023/24

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	<ul style="list-style-type: none"> compliance with the CIPFA Position Statement 2022 					✓	<p>year, was considered by Council in September 2024. An annual report for 2024/25 will also be prepared for consideration by Council.</p> <p>Annual reports cover all requirements of CIPFA's good practice guidance.</p>
	<ul style="list-style-type: none"> results of the annual evaluation, development work undertaken and planned improvements 					✓	
	<ul style="list-style-type: none"> how it has fulfilled its terms of reference and the key issues escalated in the year? 					✓	

Functions of the committee

9	Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement as follows?						
	Governance arrangements					✓	<p>The Audit Committee's Terms of Reference were updated following the issue of CIPFA's updated guidance and Position Statement in 2022.</p> <p>CIPFA's Position Statement and suggested terms of reference for an Audit Committee have been adopted</p>
	Risk management arrangements					✓	
	Internal control arrangements, including: <ul style="list-style-type: none"> financial management value for money ethics and standards counter fraud and corruption 					✓	

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	Annual governance statement					✓	in full, including reference to all core areas.
	Financial reporting					✓	
	Assurance framework					✓	
	Internal audit					✓	
	External audit					✓	
10	Over the last year, has adequate consideration been given to all core areas?					✓	Core areas are considered when developing and agreeing the Audit Committee's work programme each year.
11	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?					✓	Yes. 'Wider functions' such as Treasury Management and External Assessment Reports are included within the Audit Committee's agreed annual work programme, with core functions as set out in CIPFA's guidance. There is a need to continue to maintain a distinction between the roles of Audit Committee and the Scrutiny function.
12	Has the committee met privately with the external auditors and head of internal audit in the last year?					✓	Yes.

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Membership and support

13	Has the committee been established in accordance with the 2022 guidance as follows?						
	• Separation from executive					✓	
	• A size that is not unwieldy and avoids use of substitutes					✓	
	• Inclusion of lay/co-opted independent members in accordance with legislation or CIPFA's recommendation					✓	
14	Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled?			✓			As a local authority, members of our audit committee are appointed from current serving elected members. The required knowledge, skills and training needs have previously been discussed with Audit Committee members with no issues identified. A review of arrangements, including an evaluation of required knowledge, skills,
15	Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out within the last two years?			✓			

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							<p>training and support for members of Audit Committee and potential wider elected members' training programme, will be discussed with the Chair of Audit Committee following the appointment of members to Audit Committee after May 2025.</p> <p>Knowledge and skills are specifically considered when appointing independent co-opted members. Two new independent co-opted members and the independent co-opted Chair of Audit Committee were appointed in 2024, to further expand the knowledge and expertise available to Audit Committee.</p>
16	Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance?				✓		<p>See questions 14 and 15 above.</p> <p>Whilst some training and support has been provided to Audit Committee (for example on counter-fraud measures across the Council), it is proposed that the training programme proposed for 2025/26 is assessed following</p>
17	Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance?				✓		

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							the appointment of members to Audit Committee after May 2025.
18	Is adequate secretariat and administrative support provided to the committee?					✓	
19	Does the committee have good working relations with key people and organisations, including external audit, internal audit and the CFO?					✓	

Effectiveness of the committee

20	Has the committee obtained positive feedback on its performance from those interacting with the committee or relying on its work?					✓	<p>An annual report from Audit Committee for 2023/24 was presented to Council, where Audit Committee was thanked for its work.</p> <p>In addition, discussion took place with the external auditor during 2024/25 relating to Audit Committee being active, engaged and asking enquiring questions.</p> <p>This area will be discussed further with the Chair of Audit Committee during 2025/26.</p>
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21	Are meetings well chaired, ensuring key agenda items are addressed with a focus on improvement?					✓	
22	Are meetings effective with a good level of discussion and engagement from all the members?					✓	
23	Has the committee maintained a non-political approach to discussions throughout?					✓	This has regularly been discussed with Audit Committee and reinforced by the Chair during the year.
24	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?				✓		Audit Committee has been attended by a range of officers, the Leader and Deputy Leader, according to the content of reports presented. During 2024/25, the responsible senior officer was invited to attend Audit Committee to discuss in detail the circumstances surrounding a particular risk held on the corporate risk register. This will be considered further during 2025/26.
25	Does the committee make recommendations for the improvement of governance, risk and control arrangements?					✓	It would not be usual for recommendations from Audit Committee to be made regularly. However, Audit Committee has made

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							recommendations when appropriate.
26	Do audit committee recommendations have traction with those in leadership roles?					✓	This has been helped by the introduction of the monitoring report / action log for Audit Committee. This has been introduced to help ensure that any request / recommendation of Audit Committee can be recorded and the log is considered and reviewed as a standing agenda item of Audit Committee meetings.
27	Has the committee evaluated whether and how it is adding value to the organisation?					✓	Audit Committee has previously evaluated value added as part of earlier reviews of Audit Committee arrangements. It is proposed that this evaluation is undertaken during 2025/26, following the appointment of members to Audit Committee after May 2025.
28	Does the committee have an action plan to improve any areas of weakness?					✓	An action plan will be developed, including actions arising from the self-assessment and reported back to future meetings of Audit Committee.

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29	Has this assessment been undertaken collaboratively with the audit committee members?					✓	The assessment has been undertaken with the Chair of Audit Committee and all members of the Audit Committee consulted, prior to discussion of the self-assessment by Audit Committee.