

## AUDIT COMMITTEE

<b>Date of Meeting</b>	Wednesday, 21 November 2018
<b>Report Subject</b>	Audit Committee Self-Assessment
<b>Cabinet Member</b>	Not Applicable
<b>Report Author</b>	Internal Audit Manager
<b>Type of Report</b>	Assurance

### EXECUTIVE SUMMARY

This report shows the results of the Audit Committee self-assessment carried out in September 2018 during a facilitation workshop. The workshop was well attended with six out of the eight members present and the level of contribution highlighted opportunities for further improvement.

The results of the self-assessment will also form the basis of training or development required by the Committee and it will feed into the preparation of the Annual Governance Statement 2018/19.

The results of the workshop and self-assessment are detailed in Appendix A. Given the Audit Committee largely comprises of new members, a comparison to previous year's self-assessment results has not been undertaken this year. An Action Plan for further areas of improvements is also forms part of Appendix A.

### RECOMMENDATIONS

1	That the Committee considers the results and reaches a decision on any action required, further information needed, and identifies development or training required for individuals or collectively.
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### REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE INTERNAL AUDIT PROGRESS REPORT</b>
1.01	The Chartered Institute of Public Finance and Accountancy (CIPFA) published 'Audit Committee – Practical Guidance for Local Authorities and Police' in May 2018, with the aim of providing CIPFA's view of best practice for Audit Committees and of supporting them in operating effectively. The guidance includes a self-assessment questionnaire on Evaluating the Effectiveness

	of the Audit Committee. This questionnaire was adapted to use as part of the facilitation workshop.												
1.02	The Audit Committee is part of the governance framework of the Authority. It is therefore appropriate for the results of the self-assessment undertaken as part of the facilitation workshop to be incorporated into the Annual Governance Statement for 2018/19 which reports on overall governance within the Authority and will be published with the annual accounts.												
1.03	<p>To evaluate the effectiveness of the Audit Committee a self-assessment was undertaken by Audit Committee members using voting key pads. The self-assessment involved 13 questions covering five specific areas:</p> <ul style="list-style-type: none"> <li>• Purpose of Audit Committee</li> <li>• Governance, Risk Management, and Internal Control</li> <li>• Financial Reporting</li> <li>• Assurance – Internal Audit, External Audit and Other Regulatory Bodies</li> <li>• Audit Committee Accountability</li> </ul> <p>The graph below demonstrates the overall result of the self-assessment is positive. Appendix A of the report covers in detail the 13 questions and responses to these questions.</p> <div data-bbox="359 952 1332 1489" data-label="Figure"> <table border="1"> <caption>Self-Assessment to Evaluate the Audit Committee's Effectiveness Combined Question Scores split by Answers</caption> <thead> <tr> <th>Answer</th> <th>Count</th> </tr> </thead> <tbody> <tr> <td>Strongly Agree</td> <td>12</td> </tr> <tr> <td>Agree</td> <td>42</td> </tr> <tr> <td>Neither agree or disagree</td> <td>18</td> </tr> <tr> <td>Disagree</td> <td>9</td> </tr> <tr> <td>Strongly Disagree</td> <td>2</td> </tr> </tbody> </table> </div> <p>During the workshop the Audit Committee discussed the scores, identifying areas for further improvement, including those questions answered 'Disagree / Strongly Disagree'. These actions are also detailed within Appendix A.</p>	Answer	Count	Strongly Agree	12	Agree	42	Neither agree or disagree	18	Disagree	9	Strongly Disagree	2
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<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	None from the report itself. Resources may be required to address any actions or development needs identified.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	Summary results compiled from facilitation workshop attended by Audit Committee members.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	The Audit Committee is part of the governance framework for the Authority. It therefore must function effectively to fulfil its role. This process allows the committee to assess how effective it is and take action to mitigate any deficiencies.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix A – Results of Audit Committee Self-Assessment and Action Plan

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p>None.</p> <p><b>Contact Officer:</b> Lisa Brownbill, Internal Audit Manager  <b>Telephone:</b> 01352 702231  <b>E-mail:</b> <a href="mailto:Lisa.brownbill@flintshire.gov.uk">Lisa.brownbill@flintshire.gov.uk</a></p>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<b>Corporate Governance:</b> the system by which local authorities direct and control their functions and relate to their communities. It is founded on the basis principles of openness and inclusivity, integrity and accountability together with the overarching concept of leadership. It is an inter-related system that brings together the underlying set of legislative requirements, governance principles and management processes.