

### Epping Forest District Council Audit and Governance Committee self-assessment:

This appendix provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement: *Audit Committees in Local Authorities and Police*. Where an audit committee has a high degree of performance against the good practice principles then 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 can be used to support the planning of the audit committee work programme and training plans. It can also inform an annual report.

Good Practice Questions		Yes	Partly	No
<b>Audit committee purpose and governance</b>				
1	Does the authority have a dedicated audit committee?	The Committee meets 5 times a year.		
2	Does the audit committee report directly to full council? (Applicable to local government only)	Council receives all minutes from the Audit and Governance Committee.		
3	Do the terms of reference (ToR) clearly set out the purpose of the committee in accordance with CIPFA's Position Statement?	The Audit and Governance Committee has been established for several years and its ToR is embedded within the Constitution.  The Committee reviews its ToR on a regular (annual) basis to ensure they remain up to date; the last time being November 2015 when it considered merging with the Standards Committee.		
4	Is the role and purpose of the audit committee understood and accepted across the authority?	The Audit and Governance Committee forms part of the Council's committee structure. Its		

Good Practice Questions		Yes	Partly	No
		role and function is set out in the Council's Constitution.		
5	Does the audit committee provide support to the Authority in meeting the requirements of good governance?	Through its Terms of Reference, reports it receives, member training, review and challenge of the Annual Governance Statement (AGS), annual accounts, representation by members and officers.		
6	Are the arrangements to hold the committee to account for its performance operating satisfactorily?		There are arrangements for holding the Committee to account but these have not had to be tested. CIPFA guidance recommends the Committee reports an assessment of their performance at least annually. It should be noted that the Committee produces an annual report but has not previously undertaken an effectiveness review	
<b>Functions of the committee</b>				
7	Do the committee's terms of reference (ToR) explicitly address all the core areas identified in CIPFA's Position Statement: <ul style="list-style-type: none"> <li>• good governance</li> <li>• assurance framework</li> <li>• internal and external audit</li> <li>• financial reporting</li> <li>• risk management</li> </ul>	These are covered in the Committee's ToR.		

Good Practice Questions		Yes	Partly	No
	<ul style="list-style-type: none"> <li>• value for money or best value</li> <li>• counter fraud and corruption</li> </ul>			
8	<p>Is an annual evaluation undertaken to assess whether the committee is fulfilling its terms of reference and that adequate consideration has been given to all core areas?</p>			<p>Not previously undertaken. However, this report to the November 2016 committee on its effectiveness has started to address this.</p>
9	<p>Has the audit committee considered the wider areas identified in CIPFA's Position Statement and whether it would be appropriate for the committee to undertake them?</p> <p>Note: CIPFA guidance states that Audit Committees can also support their authorities by undertaking a wider role in other areas including:</p> <ul style="list-style-type: none"> <li>• considering governance, risk or control matters at the request of other committees or statutory officers</li> <li>• working with the local standards committee to support ethical values and reviewing the arrangements to achieve those values</li> <li>• reviewing and monitoring treasury management arrangements in accordance with CIPFA Treasury</li> </ul>	<p>The Committee includes treasury management (unlike neighbouring Councils) as evidenced in their Terms of Reference. The Committee considered merging with Standards but decided to maintain separation subject to review.</p> <p>Other roles as suggested by CIPFA are adequately covered by other committees, Cabinet and the full Council.</p>		

Good Practice Questions		Yes	Partly	No
	<p>Management Code of Practice</p> <ul style="list-style-type: none"> <li>• providing oversight of other public reports, such as the annual report.</li> </ul>			
10	Where coverage of core areas has been found to be limited, are plans in place to address this?		<p>Various reports received by the Committee throughout the year ensure the majority of core areas are covered. This includes the Annual Governance Statement (AGS), Internal Audit's annual report and its regular progress reports, External Audit reports (including the Statement of Accounts), and risk management reports.</p> <p>Two areas where enhancements could be made are:</p> <ul style="list-style-type: none"> <li>• Partnership Governance - the Committee should consider what assurances it requires in this area (although the Internal Audit Plan includes partnerships as a theme).</li> <li>• In line with good practice, the Committee should periodically review the Council's fraud strategy and its approach to anti-fraud. Internal Audit and the Corporate Fraud Team will help facilitate this review during 2016/17</li> </ul>	

Good Practice Questions		Yes	Partly	No
11	Has the committee maintained its non-advisory role by not taking on any decision-making powers that are not in line with its core purpose?	Yes		
<b>Membership and support</b>				
12	Has an effective audit committee structure and composition of the committee been selected? This should include: <ul style="list-style-type: none"> <li>• separation from the executive</li> <li>• an appropriate mix of knowledge and skills among the membership</li> <li>• a size of committee that is not unwieldy</li> <li>• where independent members are used, that they have been appointed using an appropriate process.</li> </ul>	Five councillors and two Independent Members sit on the Committee, with the main political parties represented. Each brings to the Committee a range of experiences and skills. This is supplemented with periodic member training.		
13	Does the chair of the committee have appropriate knowledge and skills?	Yes		
14	Are arrangements in place to support the committee with briefings and training?	The formal work programme for the Committee is reviewed at each meeting. Periodic training opportunities (internal and external) are made available to members including joint events with Broxbourne Council and Harlow District Council		
15	Has the membership of the committee been assessed against the core knowledge and skills framework and found		Member requirements and core knowledge and skills framework taken into account when developing the training	

Good Practice Questions		Yes	Partly	No
	to be satisfactory?		programme. A formal knowledge and skills analysis should be considered by the Committee.	
16	Does the committee have good working relations with key people and organisations, including external audit, internal audit and the chief financial officer?	The Monitoring Officer, Director of Resources (Section 151 Officer), and the Chairman of the Audit and Governance Committee agree that this is the case.		
17	Is adequate secretariat and administrative support to the committee provided?	Yes		
<b>Effectiveness of the committee</b>				
18	Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?		Not formally requested. However, the Chairman meets regularly with the Chief Internal Auditor, the Monitoring and S151 Officers with access to External Audit. A more formal process to be considered in line with point 8 above.	
19	Has the committee evaluated whether and how it is adding value to the organisation?	The Committee looks at itself by way of assessing its effectiveness and governance arrangements. An annual report from the Audit and Governance Committee assists with the process.		
20	Does the committee have an action plan to improve any areas of weakness?		The Committee's annual report sets the areas the Committee wants to focus on during the year. An action plan to address	

Good Practice Questions		Yes	Partly	No
			relevant issues regarding its effectiveness has been reported to the Committee as part of this report.	