

**TELFORD & WREKIN COUNCIL**

**AUDIT COMMITTEE 20 JULY 2021**

**REVIEW OF THE EFFECTIVENESS OF THE AUDIT COMMITTEE 2021/22**

**REPORT OF THE AUDIT & GOVERNANCE LEAD MANAGER**

**1 PURPOSE**

1.1 For members of the Audit Committee to:

- a) agree the survey to measure the effectiveness of the Audit Committee; and
- b) agree that the results of the survey will be reported to the Audit Committee in January 2022.

**2 RECOMMENDATIONS**

- 2.1 That Members agree the survey attached as Appendix 1 and to issue it to those outlined in paragraph 5.2 to measure the effectiveness of the Audit Committee; and
- 2.2 That Members agree that the results of the effectiveness survey will be presented to the January 2022 Audit Committee.

**3 SUMMARY**

3.1 It is good practice for the Council and the Committee to review its effectiveness as it helps to demonstrate good governance by measuring and reporting on its effectiveness including the identification of any improvement areas.

**4 PREVIOUS MINUTES**

4.1 N/A.

**5 BACKGROUND**

5.1 It is proposed to use the survey attached as Appendix 1. The survey is based on questions previously presented to the Audit Committee with additions made from looking at best practice and similar surveys undertaken by other local authorities.

5.2 It is proposed that the survey will be issued to, and completed by, the end of September 2021 by the following officers and Members:

- a) Members of the Audit Committee;
- b) The Leader, Cllr Richard Overton and Cllr Rae Evans – relevant Cabinet Members;
- c) Chief Executive, Chief Financial Officer (Director – Finance & Human Resources), Monitoring Officer (Assistant Director – Policy & Governance) and the Audit & Governance Lead Manager;
- d) Executive Directors/Directors/other officers who have attended the Committee in the last 12 months; and
- e) The External Auditor (Grant Thornton)

5.3 The online survey will be sent to those officers and Members detailed above using Microsoft Forms which is a solution that facilitates online questionnaires.

- 5.4 The analysis of the effectiveness survey will assist the Committee in discussions about any weaknesses and areas for development/training.

## **6 OTHER CONSIDERATIONS**

<b>AREA</b>	<b>COMMENTS</b>
Equal Opportunities	The review and skills audit should ensure Equality of Opportunity for all those completing them.
Environmental Impact	None
Legal Implications	<p>The Council is a relevant authority within the meaning of the Accounts and Audit Regulations 2015 and, therefore, must comply with the requirements set out in the Regulations. This includes, at Regulation 6, a requirement for an annual review of the effectiveness of its system of internal control. The effectiveness of the Audit Committee survey within recommendation 2.1 will contribute towards meeting this requirement as the Audit Committee is part of the Council's system of internal control.</p> <p>The method of compliance with both these requirements is not specified and therefore is a matter for the Council to determine.</p> <p>KF 09/07/2021</p>
Links with Corporate Priorities	An effective Audit Committee supports the Council's good governance arrangements encompassing the internal control and internal audit arrangements.
Opportunities and Risks	<p>Reviewing the effectiveness of the Audit Committee supports the effective management of risks and opportunities across the Council.</p> <p>The Audit Committee challenges and seeks assurances that the risk management processes are working effectively.</p>
Financial Implications	<p>Any costs associated with the distribution and analysis of the survey will be met from within existing budgets. Any additional costs identified from the survey such as development or training will also have to be met from within existing cash limited budgets.</p> <p>AEM 05/07/2021.</p>
Ward Implications	None.

## **7 BACKGROUND PAPERS**

The Accounts and Audit Regulations 2015  
 Previous surveys audit reports to Audit Committee

Report by Rob Montgomery, Audit & Governance Lead Manager



## Measuring the effectiveness of the Audit Committee - Self Assessment

This questionnaire allows Members to assess the effectiveness of the Audit Committee and identify whether there are any further improvements that could be made which would improve its overall effectiveness.

### Audit Committee purpose and governance

1. There are clear, up to date terms of reference for the Audit Committee

**Yes**

**No**

**Not Sure**

2. Do the terms of reference address all the core areas identified in CIPFAs Position Statement listed below?

	Yes	Partly	No
Good Governance & The Annual Governance Statement			
Assurance Framework & Assurance Planning			
Internal Audit			
External Audit			
Financial Reporting			
Risk Management			
Value for Money & Best Value			
Countering Fraud & Corruption			
Partnership Governance & Collaboration Agreements			
Governance & Ethical Values			

3. 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?

**Yes**

**No**

**Maybe**

4. Please indicate the date of the last evaluation

5. Where coverage of core areas has been found to be limited, are plans in place to address this?

**Yes**

**No**

## Membership, induction and training

6. An effective Audit Committee structure and composition has been selected, which includes;

	Yes	Partly	No
Separation from the Chief Executive			
An appropriate mix of knowledge and skills among the members			

7. Do committee members have access to on-going development activities to update their skills and knowledge?

**Yes**

**No**

8. All committee members have a good understanding of the different risks inherent in the council's business activities

**Yes**

**No**

## Audit Committee Meetings

9. Do the terms of reference set out the frequency of Audit Committee meetings?

**Yes**

**No**

10. Does the Audit Committee calendar meet the council's business needs, governance needs and the financial calendar?

**Yes**

**No**

11. Are members attending meetings on a regular basis?

**Yes**

**No**

12. If not, is appropriate action taken?

**Yes**

**No**

**Not Sure**

13. Are agenda papers circulated in advance of meetings to allow adequate preparation by Audit Committee members?

**Yes**

**No**

14. Do reports to the Audit Committee communicate relevant information at the right frequency, and in a format that is effective?

**Yes**

**No**

15. Do committee meetings encourage a high quality of debate with robust and probing discussions?

**Yes**

**No**

16. The committee demonstrates an appropriate degree of involvement in the work of internal audit and its findings

**Yes**

**No**

17. The committee actively engages with the external auditors regarding the scope of their work and audit findings

**Yes**

**No**

18. The committee has open channels of communication with officers and other members to keep it aware of topical/ regulatory issues

**Yes**

**No**

19. The committee is effective in achieving its terms of reference and adding value to the corporate governance of the council.

**Yes**

**No**

20. Are there any other comments or observations you wish to make about the effectiveness of the audit committee or its operation?