

Bath & North East Somerset Council			
MEETING:	Corporate Audit Committee		
MEETING DATE:	25 th September 2024	AGENDA ITEM NUMBER	
TITLE:	Corporate Audit Committee – Review of Effectiveness 2024		
WARD:	ALL		
AN OPEN PUBLIC ITEM			
List of attachments to this report:			
Appendix 1 – CIPFA Position Statement 2022			
Appendix 2 – Completed self-assessment of good practice			
Appendix 3 – B&NES 2024 Action Plan			
Appendix 4 - Revised Terms of Reference 2024			

1 THE ISSUE

- 1.1 This report updates the Corporate Audit Committee on best practice requirements as set out in the CIPFA Position Statement 2022 to carry out a self-assessment and evaluation of the effectiveness of the Audit Committee.
- 1.2 The assessment process and the results need to be considered by the Committee and an action plan agreed to implement any improvements required based on the assessment completed.
- 1.3 The action plan resulting from the assessment process will include the need for the Chair of the Committee to report on the self-assessment exercise to Council.

2 RECOMMENDATION(S)

2.1 The Corporate Audit Committee is asked to:

- Note the process followed to carry out the self-assessment and evaluation of the effectiveness of the Audit Committee.
- Comment on the findings, conclusions and recommended actions of the self-assessment.

3 THE REPORT

Background / Issues for Consideration

- 3.1 As part of best practice and to support good governance the Audit Committee should carry out a self-assessment review of its effectiveness on a periodic basis.
- 3.2 An audit committee's effectiveness should be judged by the contribution it makes to and the beneficial impact it has on the authority's business. Since it is primarily an advisory body, it can be more difficult to identify how the audit committee has made a difference. Evidence of effectiveness will usually be characterised as 'influence', 'persuasion' and 'support'.

Figure 1: The influential audit committee



- 3.3 The CIPFA Position Statement Audit Committees in Local Authorities and Police 2022 sets out the purpose, model, core functions and membership of the audit committee, and it represents CIPFA's view on audit committee practice and principles that local government bodies in the UK should adopt (see Appendix 1).
- 3.4 During June 2024 the Head of Audit & Assurance met the Chair and Deputy Chair of the Corporate Audit Committee to consider a completed self-assessment (see Appendix 2) and draft action plan (see Appendix 3).

- 3.5 The draft action plan refers specifically to making minor amendments to the Committee's Terms of Reference (ToR). A revised version to fully comply with best practice is attached (See Appendix 4). The proposed amendments are highlighted in red text. The Head of Audit and Assurance has been advised that if the Committee request amendments to the ToR then it can be taken to Council in November, when the Constitution Working Group will be requesting Council approval to other parts of the Constitution based on its work.
- 3.6 It is proposed that the Committee's Annual Report to Council in November records that a review of the effectiveness of the Committee has been carried out in compliance with CIPFA guidance and that actions have been taken or are planned for implementation.

4 STATUTORY CONSIDERATIONS

- 4.1 There are no specific statutory considerations related to this report.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 5.1 There are no direct resource implications relevant to this report.

6 RISK MANAGEMENT

- 6.1 An ineffective Committee would mean that the organisation would not be provided with the required high-level independent assurance that the Council's governance, risk and control framework was robust and effective.

7 EQUALITIES

- 7.1 An equalities impact assessment has been considered using corporate guidelines and no significant issues have been identified.

8 CLIMATE CHANGE

- 8.1 There are no direct climate change implications related to this report.

9 OTHER OPTIONS CONSIDERED

- 9.1 No other options to consider related to this report.

10 CONSULTATION

10.1 The Council's Section 151 Officer has had the opportunity to input to this report and has cleared it for publication.

Contact person	Andy Cox, Head of Audit & Assurance (01225 477316)
Background papers	
Please contact the report author if you need to access this report in an alternative format	