



**Audit and Risk Management Committee
Tuesday, 21 November 2017**

REPORT TITLE:	ARMC SELF ASSESSMENT
REPORT OF:	CHIEF INTERNAL AUDITOR

REPORT SUMMARY

To comply with best professional practice the Audit and Risk Management Committee is required to complete an annual evaluation of its role and effectiveness as part of the systems of internal audit.

The CIPFA publication 'A Toolkit for Local Authority Audit Committees' recommends the use of a self-assessment checklist to achieve this task. The Chair has completed the checklist and effectiveness evaluation which is attached at Appendix 1 and 2.

RECOMMENDATION

It is recommended that the members of the Committee give consideration to and approve the attached Self-Assessment Checklist of compliance with best practice (Appendix 1) and Evaluation of Effectiveness (Appendix 2) which has been produced by the Chair in consultation with the Chief Internal Auditor.

SUPPORTING INFORMATION

1.0 REASON FOR RECOMMENDATION

- 1.1 To comply with best practice identified in the CIPFA publication 'Audit Committees Practical Guidance Toolkit for Local Authorities and Police'. The toolkit draws on best practice from both local government and the wider public sector.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 No other options considered.

3.0 BACKGROUND INFORMATION

- 3.1 The Department for Communities and Local Government (DCLG) issued amended regulations in 2006, to the 2003 Accounts and Audit Regulations – 'The Accounts and Audit (Amendment) (England) Regulations 2006.
- 3.2 One of the amended regulations impacts on the process for preparing the Statement of Internal Control (SIC) which is subsumed within the Annual Governance Statement (AGS) and relates specifically to the systems of internal audit in operation. This is:-
- Regulations require bodies to regularly review their systems of internal audit, and for the findings to be considered by a committee of the body, or by the body as a whole.
- 3.3 Advice from CIPFA includes the assertion that the "systems of internal audit" can be considered to include the role and effectiveness of the Audit Committee.
- 3.4 To assist Councils in this evaluation exercise CIPFA has provided a Self-assessment checklist (Appendix 1) to provide a means of assessment against recommended practice both to support and inform the Audit and Risk Management Committee. The guidance also now includes an assessment tool (Appendix 2) to help Members to consider where the Committee is most effective and evaluate where there may be scope to do more.
- 3.5 The views expressed in both Appendices 1 and 2 are those of the Chair and this report is therefore presented to the wider Committee to consider and come to a final conclusion as to the outcome and any actions arising.
- 3.6 The self-assessment and evaluation conclude that the Audit and Risk management Committee fulfils all of its core objectives, all of which align with best practice. Moreover, in general terms, the Committee is effective in supporting and overseeing governance throughout the Authority.

3.7 The key actions arising were as follows:

- Continue to ensure the role and value of the Committee is understood and recognised by all relevant parties including Council;
- Continue to review and challenge the role of the Committee and its interaction with other Committees; and
- Ensure that all Members of the Committee attend the relevant CIPFA training session for Audit Committee Members;
- Continue to assess the Committee against the core knowledge and skills required for Members to inform any future training plans.

4.0 FINANCIAL IMPLICATIONS

4.1 There are none arising from this report.

5.0 LEGAL IMPLICATIONS

5.1 There are none arising from this report.

6.0 RESOURCE IMPLICATIONS

6.1 There are none arising from this report.

7.0 RELEVANT RISKS

7.1 Appropriate actions are not taken by officers and Members in response to the identification of risks to the achievement of the Council's objectives.

7.2 Potential failure of the Audit and Risk Management Committee to comply with best professional practice and thereby not function in an efficient and effective manner.

8.0 ENGAGEMENT/CONSULTATION

8.1 Members of this Committee are consulted throughout the process of preparing and presenting this regular report.

9.0 EQUALITY IMPLICATIONS

9.1 There are none arising from this report.

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APPENDICES

Audit and Risk Management Self-Assessment Checklist and Evaluation

REFERENCE MATERIAL

CIPFA Publication 'Audit Committees Practical Guidance Toolkit for Local Authorities and Police'

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Audit and Risk Management Committee	Annual Report