



AUDIT AND RISK MANAGEMENT COMMITTEE

MONDAY 15 JANUARY 2024

REPORT TITLE:	ARMC ANNUAL SELF ASSESSMENT 2023
REPORT OF:	CHIEF INTERNAL AUDITOR

REPORT SUMMARY

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

The CIPFA publication 'Audit Committees – Practical Guidance for Local Authorities' recommends the use of a self-assessment checklist to achieve this task. The Chair has completed this which is attached at Appendix 1 along with a corresponding Action Plan at Appendix 2.

This matter affects all Wards within the Borough. It is not a key decision.

RECOMMENDATION

The Audit and Risk Management Committee is recommended to consider the report and approve the attached Self-Assessment Checklist of compliance with best practice and the Action Plan arising.

SUPPORTING INFORMATION

1.0 REASON FOR RECOMMENDATION

- 1.1 To ensure that the Council complies with best practice guidance identified by the Chartered Institute of Public Finance Accountants (CIPFA) in its publication 'Audit Committees Practical Guidance for Local Authorities and the Chartered Institute of Internal Auditors (CIIA).
- 1.2 To provide the Members with assurance that the Council is taking appropriate measures to ensure that systems of internal audit are effective.

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.
- 3.5 The Chair has utilised the checklist to complete the evaluation and prepare the associated action plan identifying areas for action and development. It must be pointed out that the views expressed in the Appendices 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 concludes that the Audit and Risk management Committee fulfils its core objectives, all of which align with best practice. However, a number of areas have been identified to improve and develop the Committee going forward in line with evolving best practice as identified in the CIPFA best practice publication identified.

3.7 The key actions arising were as follows:

- Ensure that all Members of the Committee are provided with relevant training and development in all disciplines appropriate for this Committee,
- Continue to assess the Committee against the core knowledge and skills required for Members to inform any future training plans,
- The introduction of a more robust system for obtaining feedback from stakeholders on the performance of the Audit and Risk Management Committee.

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: STAFFING, ICT AND ASSETS

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. This is mitigated by a robust system of follow up, reporting and escalation of audit matters.

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. This is mitigated by comprehensive governance and reporting systems developed and implemented in compliance with relevant professional standards.

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 The content and/or recommendations contained within this report have no direct implications for equality. However, the delivery of an effective internal audit service will assist in ensuring that the Council, its finances, and service provision are effectively managed and governed aiding the advancement of equality.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 The content and/or recommendations contained within this report are expected to have no impact on emissions of CO₂/greenhouse gases.

11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 The content and/or recommendations contained within this report have no direct implications for community wealth. However, the delivery of an effective internal audit service will assist in ensuring that the Council, its finances, and service provision are effectively managed and governed aiding the advancement of economic, social and environmental justice for all residents.

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APPENDICES

1. ARMC Self-Assessment Checklist and Evaluation
2. ARMC Self-Assessment Action Plan

BACKGROUND PAPERS

CIPFA Publication - Audit Committees Practical Guidance for Local Authorities and Police

TERMS OF REFERENCE

This report is being considered by the Audit and Risk Management Committee in accordance with Section B of its Terms of Reference.

(b) Internal Audit and Internal Control

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Audit and Risk Management Committee	Annual Report