Appendix A2

Audit & Governance Committee - Self-assessment of good practice

Introduction -

A self-assessment was undertaken against good practice set out in CIPFA Audit Committees: Practice Guidance for Local Authorities and Police (2022) and an evaluation of the impact and effectiveness of the audit committee was carried out. These have done in the first instance by the Chair (supported by officers) but a whole-committee review of these assessments will be undertaken during 2026/27.

Summary

The results of the self-assessment is summarised below. It shows a high level of alignment with good practice, with 34 out of 40 sub-questions rated as fully complies or with only minor improvement required. There were 3 sub-questions where it was judged the committee either did not comply or required significant improvement; these were in relation to undertaking this self-assessment, an action plan and formal identification of member training.

As a result, an action plan has been drawn up to address these initial issues which include undertaking a whole-committee review against the self-assessment during 2026/27. More minor issues include reviewing and updating the Terms of Reference.

Good Practice area	Does not comply / Significant improvement	Partially complies and extent of improvement needed		Fully complies – No further improvement
		Moderate improvement	Minor improvement	
Audit committee purpose and governance	0	0	2	8
Functions of the committee	0	0	3	8
Membership and support	1	2	2	4
Effectiveness of the committee	2	1	1	6
Total	3	3	8	26

Detailed self-assessment summary

	Good practice questions	Does not comply / Significant improvement	Partially complies and extent of improvement needed		Fully complies – No further improvement
			Moderate improvement	Minor improvement	
	Audit committee purpose and governance				
1	Does the authority have a dedicated audit committee that is not combined with other functions (eg standards, ethics, scrutiny)?				x
2	Does the audit committee report directly to the governing body (PCC and chief constable/full council/full fire authority, etc)?				x
3	Has the committee maintained its advisory role by not taking on any decision-making powers?			x Approval of accounts not explicit	
4	Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's 2022 Position Statement				x
5	Do all those charged with governance and in leadership roles have a good understanding of the role and purpose of the committee?				x
6	Does the audit committee escalate issues and concerns promptly to those in governance and leadership roles?				x
7	Does the governing body hold the audit committee to account for its performance at least annually?				x
8	Does the committee publish an annual report in accordance with the 2022 guidance, including				
	- compliance with the CIPFA Position Statement 2022			X Self-assessment not included	
	- results of the annual evaluation, development work undertaken and planned improvements				x
	- how it has fulfilled its terms of reference and the key issues escalated in the year?				x
	Functions of the committee				
9	Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement as follows?				
	Governance arrangements			X Not full reflection of guidance	
	Risk management arrangements				x

	Internal control arrangements, including: - financial management - value for money - ethics and standards - counter fraud and corruption			X Gifts & hospitality review	
	Annual governance statement				x
	Financial reporting				x
	Assurance framework				x
	Internal audit				x
	External audit				x
10	Over the last year, has adequate consideration been given to all core areas?				x
11	Over the last year, has the committee only considered agenda items that align with its core functions or selected wider functions, as set out in the 2022 guidance?			X External audit comments re investigation	
12	Has the committee met privately with the external auditors and head of internal audit in the last year?				X
Membership and support					
13	Has the committee been established in accordance with the 2022 guidance as follows?				
	- Separation from executive			X Not within Constitution	
	- A size that is not unwieldy and avoids use of substitutes				x
	- Inclusion of lay/co-opted independent members in accordance with legislation or CIPFA's recommendation				x
14	Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled?			X Political balance	
15	Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out within the last two years?	X No formal evaluation			
16	Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance?		X Some training provided		
17	Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance?		X No assessment completed		
18	Is adequate secretariat and administrative support provided to the committee?				x
19	Does the committee have good working relations with key people and organisations, including external audit, internal audit and the CFO?				x

Effectiveness of the committee					
20	Has the committee obtained positive feedback on its performance from those interacting with the committee or relying on its work?		X To identify how get feedback		
21	Are meetings well chaired, ensuring key agenda items are addressed with a focus on improvement?				x
22	Are meetings effective with a good level of discussion and engagement from all the members?				x
23	Has the committee maintained a non-political approach to discussions throughout?				x
24	Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?				x
25	Does the committee make recommendations for the improvement of governance, risk and control arrangements?				x
26	Do audit committee recommendations have traction with those in leadership roles?				x
27	Has the committee evaluated whether and how it is adding value to the organisation?			X No formal assessment	
28	Does the committee have an action plan to improve any areas of weakness?	X No action plan			
29	Has this assessment been undertaken collaboratively with the audit committee members?	X Not undertaken by A&G			

Action Plan

	Good Practice	Finding	Priority	Action	By whom / target date
Audit committee purpose and governance					
1 SA3	Has the committee maintained its advisory role by	A&G Committee do make some decisions. Whilst not all of these decisions are in line with the guidance, they are clearly stated in the	Minor	Review the decisions made by A&G to ensure they are appropriate (in line with	Constitution Review Working

	Good Practice	Finding	Priority	Action	By whom / target date
	not taking on any decision-making powers?	Terms of Reference (ToR). However, the approval of the statement of accounts is not explicitly stated in the ToR (but is included in the Financial Regulations).		good practice and the Council's scheme of delegation). The Constitution Review Working Party approves the minor update to the Terms of Reference to make explicit reference to the approval of the statement of accounts.	Party / November 2026
2 SA8	Does the committee publish an annual report in accordance with the 2022 guidance, including compliance with the CIPFA Position Statement 2022?	An annual report is published annually and whilst it is considered the Committee largely complies with the guidance, no formal assessment of this has been carried out or reported until now. An initial desktop assessment has been carried out by officers (reviewed by the Chair of A&G) to support the 2025/26 annual report.	Minor	A whole-committee self-assessment and review of effectiveness undertaken during 2026/27 and will be reported in the next annual report.	A&G / November 2026
Functions of the committee					
	Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement as follows?				
3 SA9	Governance arrangements	The ToR does include consideration of arrangements for corporate governance and this is reflected in practice. The CIPFA guidance also suggested the ToR includes *"Review the governance arrangements being put in place for major developments, such as the establishment of a collaborate arrangement or trading company"* which is currently not specified.	Minor	Constitution Review Working Party approves the addition of the following update to the Terms of Reference *"Review the governance arrangements being put in place for major developments, such as the establishment of a collaborate arrangement or trading company"*	The Constitution Review Working Party / November 2026
4 SA9	Value for money Ethics & standards Counter fraud & corruption	The current ToR states "… consider gifts and hospitality registers", however, these are not currently reviewed nor is it proposed that they are.	Minor	The Constitution Review Working Party approves the minor update to the Terms of Reference to reflect they receive overall assurance on the operation of officer gifts and hospitality policy rather than the detail in the registers.	The Constitution Review Working Party / November 2026
6	Over the last year, has the committee only considered	In response to the FuturePlaces investigation, the external auditor commented in their annual	Minor	As part of their self-assessment, Audit & Governance Committee to consider	A&G Committee

	Good Practice	Finding	Priority	Action	By whom / target date
SA11	agenda items that align with its core functions or selected wider functions, as set out in the 2022 guidance?	report that *the commissioning of this type of investigation, in our experience, is not standard practice for an Audit and Governance Committee* and advised that the Council could consider *ensuring that the Audit and Governance Committee prioritise core assurance business as per the terms of reference and evaluate if their role should include scoping and commissioning lessons learnt reviews.*		whether any changes to their Terms of Reference or practice is necessary following the external audit comments.	(self-assessment) November 2026
7 SA12	Has the committee met privately with the external auditors and head of internal audit in the last year?	The Chair regularly meets External Audit throughout the year, rather than the whole committee.	Minor	As part of their self-assessment, Audit & Governance Committee to consider whether any changes to current practice is required e.g. the Chair to advise members of forthcoming meetings.	A&G Committee (self-assessment) November 2026
Membership and support					
8 SA13	Has the committee been established in accordance with the 2022 guidance as follows? Separation from executive	Whilst custom and practice is that members of the Audit & Governance Committee do not also sit on the executive (i.e. Cabinet), this is not stated within the Constitution.	Minor	Constitution Review Working Party to recommend an amendment to the Constitution explicitly stating that Cabinet members may not also sit on Audit & Governance Committee	Constitution Review Working Party
9 SA14	Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled?	Committee membership is determined by maintaining political balance, with parties responsible for appointing their members.	Minor	Constitution Review Working Party to consider whether any requirements and / or guidance for appointment to Audit & Governance Committee could or should be part of the Constitution.	Constitution Review Working Party
10 SA15	Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out within the last two years?	No evaluation of knowledge, skills or training needs has been undertaken.	Significant	A formal self-assessment of committee membership knowledge, skills and training needs will be undertaken to feed into the A&G Committee self-assessment against the guidance. This will be used to identify any skills and knowledge gaps and training needs.	Internal Audit/A&G Committee November 2026
11 SA16	Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance?	Whilst training has been provided on some of the areas contained in the guidance, an assessment of required training has not been undertaken to ensure all training needs are met	Moderate	See Action point 10.	
12	Across the committee membership, is there a	Whilst there is a range of knowledge and experience across the committee membership,	Moderate	See Action point 10.	

SA17	satisfactory level of knowledge, as set out in the 2022 guidance?	no assessment has been carried out in line with the guidance.			
Effectiveness of the committee					
13 SA20	Has the committee obtained positive feedback on its performance from those interacting with the committee or relying on its work?	Whilst feedback is received, from external audit, for example, this is no mechanism for Audit & Governance Committee to obtain feedback on their performance.	Moderate	As part of its self-assessment of impact and effectiveness, Audit & Governance Committee to determine how, and from whom, they should obtain feedback.	Internal Audit/A&G Committee November 2026
14 SA27	Has the committee evaluated whether and how it is adding value to the organisation?	Whilst the A&G Committee's annual report does give some consideration to this, there is no formal evaluation of its added value as per the guidance.	Minor	As part of its self-assessment of impact and effectiveness, Audit & Governance Committee to evaluate how it is adding value to the organisation.	Internal Audit/A&G Committee November 2026
15 SA28	Does the committee have an action plan to improve any areas of weakness?	There is no action plan to address areas of weakness.	Significant	This action plan addresses this finding.	
16 SA29	Has this assessment been undertaken collaboratively with the audit committee members?	This self-assessment has been undertaken by officers and reviewed by the Chair of Audit & Governance. It will be shared with the Committee and an assessment in collaboration with them will be undertaken during the year.	Significant	See Action Point 2.	