

Appendix A –Review of the Committee’s effectiveness

Audit and Corporate Governance Committee 13 June 2024

1. Introduction

This Appendix provides a summary of the outcomes of the review of supported self-assessment session held in April 2024. It provides:

- i) A summation of the key matters arising in each of the nine areas of CIPFA’s checklist for evaluating the impact and effectiveness of an Audit Committee;
- ii) Committee’s self- assessment and scoring in each area;
- iii) Recommended actions to further enhance the Committee’s effectiveness.

Rating key

Committee members were asked to individually self-assess the Committee’s performance in each of the nine areas listed below. An ascending scale of 1 to 5 was utilised, with a score of 1 demonstrating poor effectiveness and a score of 5 demonstrating optimal effectiveness. A final agreed score is included for each of the nine categories as section 2 below.

2. Outcomes of the annual review of effectiveness

The table below provides an overall summary of CIPFA supported self-assessment held in April 2024.

1) Promoting the protocols of good governance and their application to decision making			
Key points arising from the discussion	Overall score (out of 5)	Recommended action	Responsible officer

<ul style="list-style-type: none"> • The Annual Governance Statement (AGS) is considered and challenged; • The reference to the Nolan principles in the AGS could be improved; • Value for money (VFM) is considered; • The Committee's terms of reference aligns with CIPFA best practice and was revised in October 2021. The Committee's work plan is reconciled to its Terms of Reference. Therefore the principles of good governance are embedded in work plan; • There is evidence of officers taking back learnings from the Committee in order to galvanise services, for example Internal Audit open actions. 	4	<ul style="list-style-type: none"> • The reference to the Nolan principles will be made more explicit in the AGS; • When presenting the AGS to the Committee, provide clarity on the Committee's role in relation to scrutinising the AGS. 	Nigel Mascarenhas, Head of Treasury and Financial Services
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2) Contributing to an effective control environment

Key points arising from the discussion	Overall score (out of 5)	Recommended action	Responsible officer
<ul style="list-style-type: none"> • The audit plan is approved annually and the Committee does challenge the content and the rationale for inclusion on the audit plan; • There is a good synergy between the principal risk report and the audit plan i.e. risks are mapped to assurance and the Committee reviews the outcome of this exercise. • Internal Audit outcomes and high priority recommendations are scrutinised; 	4	n/a	n/a

<ul style="list-style-type: none"> • There is a sound level of focus on Internal Audit assurance ratings; • The scrutiny of internal audit open recommendations has improved; • Treasury and prudential indicators are scrutinised via the treasury reports; 			
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3) Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risk

Key points arising from the discussion	Overall score (out of 5)	Recommended action	Responsible officer
<ul style="list-style-type: none"> • Regular deep dives ensure that the Committee hears directly from risk leads; • The Committee selects areas for risk deep dives; • The structure of the principal risk report has been shaped by the Committee to ensure that enough information is provided to discharge the Committee's responsibilities; • The Committee ensures that the risk management strategy and framework is operating in practice via the principal risk updates and risk deep dives. 	4	Consider whether updates in areas of deep dives are provided in the next principal risk update following the deep dive.	Head of Internal Audit, Investigations and Risk Management

4) Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively

Key points arising from the discussion	Overall score (out of 5)	Recommended action	Responsible officer

<ul style="list-style-type: none"> • The Head of Internal Audit opinion is presented to the Committee annually and is evidence based; • The Committee's work plan is mapped to its Terms of Reference to ensure that all areas of assurance are included; • The Committee looked at the effective deployment of Internal Audit time. 	3	Officers could be more explicit, within papers and in presentations, to draw out sources of assurance.	All officers
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5) Supporting the quality of the internal audit activity, particularly by underpinning its organisational independence

Key points arising from the discussion	Overall score (out of 5)	Recommended action	Responsible officer
<ul style="list-style-type: none"> • The Committee takes account of Internal Audit findings, particularly in areas of low assurance, and tracks follow up outcomes; • The Committee's ToR includes a review of Internal Audit's Quality Assurance and Improvement Programme (QAIP) and External Quality Assessment (EQA); • Auditees are asked to attend the Committee meetings in areas of low implementation of audit recommendations; 	3	<ul style="list-style-type: none"> • The outcome of the QAIP , and Internal Audit's independence statement, will be more clearly drawn out when the Internal Audit Annual Report is presented to the Committee; • Consideration should be given to the Head of Internal Audit (and separately, the external auditor) formally meeting privately with the Committee once a year (even if there 	Head of Internal Audit, Investigations and Risk Management

		are no matters to raise, it is good practice to have this provision in place).	
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6) Aiding the achievement of the authority's goals and objectives through helping to ensure appropriate governance, risk, control and assurance arrangements

Key points arising from the discussion	Overall score (out of 5)	Recommended action	Responsible officer
<ul style="list-style-type: none"> The principal risk report aligns with the We Make Camden priorities; The Internal Audit plan is mapped to the principal risk report and therefore aligns with organisational objectives/priorities; Major programmes are scrutinised via delivery of the IA plan and the principal risk report. 	3.5	<ul style="list-style-type: none"> Risk deep dives should be more explicit about how they are contributing to We Make Camden. 	Risk leads

7) Supporting the development of robust arrangements for ensuring value for money

Key points arising from the discussion	Overall score (out of 5)	Recommended action	Responsible officer
<ul style="list-style-type: none"> External Audit consider value for money; Some Internal audit reviews have a value for money element. 	4	Value for money should be considered within the AGS.	Head of Treasury and Financial Services

8) Helping the authority with the implementation of good governance including effective arrangements for countering fraud and corruption risks

Key points arising from the discussion	Overall score (out of 5)	Recommended action	Responsible officer
<ul style="list-style-type: none"> • The Committee considers an annual fraud report which fraud risks and themes; • The Committee approves the overarching anti-fraud and corruption strategy as well as other related policies for example, whistleblowing, bribery, money laundering; • There is very practical interest in fraud in the Committee, including scrutiny of blue badge enforcement and proactive anti-fraud reviews. 	4	n/a	n/a

9) Promoting effective public reporting to the authority's stakeholders and local community, and measures to improve transparency and accountability

Key points arising from the discussion	Overall score (out of 5)	Recommended action	Responsible officer
<ul style="list-style-type: none"> • A number of measures are in place to ensure public reporting , transparency and accountability including but not limited to: • The agenda and papers are published; • Meetings are webcast; • Deputations are permitted (though there has only been one deputation to date); • There was open discussion of the members' allowances agenda item to ensure transparency; 	4	n/a	n/a

<ul style="list-style-type: none">• The meeting very rarely went into private session;• Minutes are very well captured, including just enough detail for the public to follow the discussion and points.			
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End