

REPORT TO: Audit and Governance Committee

MEETING DATE: 26 September 2023

BY: Service Manager – Internal Audit

SUBJECT: Audit & Governance Committee Annual / End of Term Report
2022/23

1 PURPOSE

- 1.1 To present the outcome of the 2022/23 Audit & Governance Committee self-assessment and seek approval from the Audit & Governance Committee to present the Annual / End of Term Report 2022/23 to the Council.

2 RECOMMENDATION

- 2.1 The Audit & Governance Committee is asked to approve the Audit Committee Annual / End of Term Report 2022/23 (Appendix 1) and its self-assessments using the CIPFA Audit Committees Guidance (Appendices 2 and 3) and agrees that the Audit Committee Annual / End of Term Report 2022/23 should be presented to the Council.

3 BACKGROUND

- 3.1 The purpose of this report is to provide Members with the Audit & Governance Committee Annual / End of Term Report 2022/23, which sets out how the Audit & Governance Committee has performed against its remit and the effectiveness of the Audit & Governance Committee in meeting its purpose, based on a self-assessment of the Committee against best practice, and provides assurances to the Council.
- 3.2 It is important that the Council's Audit & Governance Committee fully complies with best practice guidance on Audit Committees to ensure it can demonstrate its effectiveness as a scrutiny body as a foundation for sound corporate governance of the Council.
- 3.3 The Chartered Institute of Public Finance and Accountancy (CIPFA) Audit Committees Practical Guidance for Local Authorities and Police 2022 Edition (hereinafter referred to as CIPFA Audit Committees Guidance) includes the

production of an annual report on the performance of the Audit & Governance Committee for submission to the Council. The Audit & Governance Committee Annual / End of Term Report 2022/23 is appended to this report as Appendix 1 for consideration.

3.4 The Audit & Governance Committee Annual / End of Term Report 2022/23 includes the following assurances to the Council:

- The Council has access to the Minutes of the Audit & Governance Committee throughout the year.
- The Audit & Governance Committee has operated in accordance with its agreed terms of reference, covering the themes of Governance, Risk and Control, Internal Audit, External Audit, Financial Reporting and Accountability Arrangements, and accordingly conforms to the Audit Committee principles within the CIPFA Position Statement for Audit Committees.
- It focused entirely on matters of risk management, internal control and governance, giving specialist advice to the Council on the value of the audit process, on the integrity of financial reporting and on governance arrangements, and acted as a bridge between the Council and other stakeholders. It did this through material it received from Internal Audit, External Audit, Risk Management, Council Finance teams and reporting from Council Arm's Length Bodies and assurances from Management relevant to the Audit Cycle of reporting.
- The Audit & Governance Committee has reflected on its performance during the year, and has agreed areas of improvement to enable enhanced effectiveness to fulfil its scrutiny and challenge role.

3.5 The areas of improvement that have been agreed as part of the Audit & Governance Committee Annual / End of Term Report 2022/23, are as follows:

- Completing this reports publication to the Council to meet the CIPFA Audit Committee Guidance requirement for the Committee to publish an annual report in accordance with the 2022 guidance.
- Complete a members' Skills and Knowledge assessment and make recommendations on any areas of skills and knowledge that could be enhanced by having co-opted independent members, and which areas require further training or development by December 2023.
- Develop an approach for recruitment of co-opted independent members of the Audit & Governance Committee and implement this approach by March 2024.
- Receive and scrutinise an annual counter fraud report by June 2024.

4 POLICY IMPLICATIONS

4.1 None

5 INTEGRATED IMPACT ASSESSMENT

5.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

6 RESOURCE IMPLICATIONS

6.1 Financial - None

6.2 Personnel - None

6.3 Other - None

7 BACKGROUND PAPERS

7.1 None

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DATE	15 September 2023

**EAST LoTHIAN COUNCIL
AUDIT & GOVERNANCE COMMITTEE
ANNUAL/END OF TERM REPORT FROM THE CHAIR – 2022/23**

This annual/end of term report has been prepared to inform East Lothian Council of the work carried out by the Council's Audit & Governance Committee during the year 2022/23. The content and presentation of this report meets the requirements of the CIPFA Audit Committees Practical Guidance for Local Authorities and Police 2022 Edition (hereinafter referred to as CIPFA Audit Committees Guidance), to report to full Council on a regular basis on the Committee's performance in relation to the terms of reference and the effectiveness of the Committee in meeting its purpose to share lessons learned, and areas of improvement to inform the new Audit & Governance Committee post local elections in May 2022.

Meetings

There were meetings of the Audit & Governance Committee five times during the financial year, namely meetings on 21 June 2022, 20 September 2022, 1 and 29 November 2022 and 14 February 2023 to consider reports pertinent to the audit cycle and its terms of reference. Additionally at the start of the 2023/24 financial year a meeting has been held on 13 June 2023.

The Audit & Governance Committee is a key component of East Lothian Council's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards. The purpose of the Committee is to provide independent assurance to elected members of the adequacy of the risk management framework and the internal control environment. It provides independent review of East Lothian Council's governance, risk management and control frameworks, and oversees the financial reporting and annual governance processes. It oversees internal and external audit, helping to ensure efficient and effective assurance arrangements are in place.

The Audit & Governance Committee reviewed the final audited accounts for 2021/22 at its meeting on 1 November 2022, alongside the External Audit report on their annual audit 2021/22 to consider any concerns or improvements arising from the audit, prior to recommending to the Council that they be adopted.

The Audit & Governance Committee approved the Internal Audit Charter and the Internal Annual Plan. It monitored Internal Audit's performance including progress against annual plan approving changes during the year, conformance with Public Sector Internal Audit Standards (PSIAS), and quality assurance and improvement plan (QAIP) within the Internal Audit annual report, and considered the statutory annual audit opinion within the Annual Internal Audit Report. It considered Internal Audit's reports which set out executive summaries of findings, audit opinions, good practice and recommendations associated with each assurance review, as well as other work. It monitored the implementation of agreed actions through receipt of regular reports during the year from Internal Audit.

The Audit & Governance Committee has reviewed the External Audit Strategy and Plan Overview for East Lothian Council, considered External Audit reports including the annual report to Members and the Controller of Audit on the annual audit of the Council, reviewed the main issues arising from the External Audit of the Council's statutory accounts, and monitored the implementation of agreed actions arising.

The Audit & Governance Committee reviews all of the Service Risk Registers and the Council Risk Register on an annual cycle. This enables the Audit & Governance Committee to provide oversight of Risk Management Framework to ensure it is able to demonstrate its effectiveness in carrying out its remit.

The Audit & Governance Committee receives a report every 2 years on the activity undertaken as part of the National Fraud Initiative, the last report was received by the Audit & Governance Committee on 30 November 2021. Some information on counter fraud activity is included in the Internal Audit Annual Report, however in May 2023 a specific Counter Fraud Officer was recruited by the Council and further reporting including an annual Counter Fraud Plan and an annual Counter Fraud Report is now planned to be submitted to the Audit & Governance Committee on an annual basis, this improvement is reflected in the Audit & Governance Committee self-assessment.

The Audit & Governance Committee is the governance body responsible for scrutiny of the treasury management strategy, mid-term and annual review, in accordance with the CIPFA Treasury Management Code of Practice. This scrutiny occurred during 2022/23 at Audit Committee meetings including the Annual Treasury Management Review 2022/23 in June 2023 and the Treasury Management Mid-Year Review Report 2022/23 in November 2022.

Membership

The Membership of the Audit & Governance Committee reflects the Council’s approved Standing Orders, and Scheme of Administration which states that *“Councillor membership of the Committee should be drawn only from non-Cabinet Members of the Council. In appointing Councillor members to the Committee, the Council shall seek to achieve political balance.”* The CIPFA Audit Committees Guidance states that *“Where there is no legislative direction to include co-opted independent members, CIPFA recommends that each authority audit committee should include at least two co-opted independent members to provide appropriate technical expertise.”* The Committee is intending to undertake a knowledge and skills review this year prior to considering an approach to recruiting independent members to the Committee. Recruitment of independent members will remain challenging and recruitment exercises at other Scottish Local Authorities have not always provided appropriate candidates.

The Committee membership during the year comprised of Councillors Menzies (Convenor), Trotter (Depute Convenor), Bruce, Jardine, McFarlane, McGuire, McLeod and Ritchie.

The attendance by each member at the Committee meetings throughout the year was as follows:

Member	21 June 2022	20 Sep 2022	01 Nov 2022	29 Nov 2022	14 Feb 2023
Cllr Menzies	√	X	√	√	√
Cllr Trotter	√	√	√	√	√
Cllr Bruce	√	√	√	√	X
Cllr Jardine	√	√	X	√	√
Cllr McFarlane	√	√	√	√	√
Cllr McGuire	√	√	√	√	√
Cllr McLeod	√	√	√	X	√
Cllr Ritchie	√	√	√	√	√

Every Audit & Governance Committee meeting in 2022/23 was quorate.

All other individuals who attended the meetings are recognised as being *“In Attendance”* only. The Chief Executive, Executive Director for Council Resources (Section 95 Officer), External Audit (Audit Scotland), and Internal Audit attend all Audit Committee meetings, and other senior officers also routinely attend Audit & Governance Committee meetings. The Council has provided support and resources to the Audit & Governance Committee throughout the year including a Democratic Services Officer as the Minute secretary.

Skills and Knowledge

Given the wider corporate governance remit of Audit Committees within local government and the topics now covered by the external and internal audit functions, it is noteworthy that there is a range of skills, knowledge and experience that Audit & Governance Committee members bring to the committee, not limited to financial and business management. This enhances the quality of scrutiny and discussion of reports at the meetings. No one committee member would be expected to be expert in all areas.

Self-Assessment of the Committee

A self-assessment questionnaire was issued to all members of the Audit & Governance Committee in May 2023, responses have been summarised and enhanced by the Service Manager - Internal Auditor, in conjunction with the Audit & Governance Committee Chair, using the self-assessment of good practice and the evaluating the impact and effectiveness of the audit committee from the CIPFA Audit Committees Guidance. This was useful for Members to ensure the Committee can demonstrate its effectiveness as a scrutiny body as a foundation for sound corporate governance of the Council.

The outcome of the self-assessments was a medium/high degree of compliance against the good practice principles and an improving and medium degree of effectiveness. Improvements were identified focussing on activity to improve its effectiveness in fulfilling its role. In summary these are:

- Complete a members Skills and Knowledge assessment and make recommendations on any areas of skills and knowledge that could be enhanced by having co-opted independent members, and which areas require further training or development by December 2023.
- Develop an approach for recruitment of co-opted independent members of the Audit & Governance Committee and implement this approach by March 2024.
- Receive and scrutinise an annual counter fraud report by June 2024.

Assurance Statement to the Council

The Audit & Governance Committee provides the following assurance to the Council:

- The Council has access to the Minutes of the Audit & Governance Committee throughout the year.
- The Audit & Governance Committee has operated in accordance with its agreed terms of reference, covering the themes of Governance, Risk and Control, Internal Audit, External Audit, Financial Reporting, and Accountability Arrangements, and accordingly conforms to the Audit Committee principles within the CIPFA Position Statement for Audit Committees.
- It focused entirely on matters of risk management, internal control and governance, giving specialist advice to the Council on the value of the audit process, on the integrity of financial reporting and on governance arrangements, and acted as a bridge between the Council and other stakeholders. It did this through material it received from Internal Audit, External Audit, Risk Management, Council Finance teams and reporting from Council Arm's Length Bodies and assurances from Management relevant to Audit Cycle of reporting.
- The Audit & Governance Committee has reflected on its performance during the year, and has agreed areas of improvement to enable enhanced effectiveness to fulfil its scrutiny and challenge role.

Lee-Anne Menzies
Chair of Audit & Governance Committee
26 September 2023

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East Lothian Council Audit & Governance Committee – self-assessment of Good Practice at August 2023

Audit committee purpose and governance	Yes/Partly /No	Comments
Does the authority have a dedicated audit committee?	<input type="checkbox"/> Yes	The Council’s Standing Orders identify the Audit & Governance Committee undertaking the Audit Committee role.
Does the audit committee report directly to full council?	<input type="checkbox"/> Yes	All Minutes of Audit & Governance Committee meetings are circulated to full Council for noting and the Committee terms of reference state that: Decisions of the Committee on functions delegated to them shall be reported to the Council for information only unless the Committee resolved that a particular item of business should be referred to the council for decision.
Has the committee maintained its advisory role by not taking on any decision-making powers?	<input type="checkbox"/> Yes	Yes, the Committee has no direct decision making powers.
Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA’s 2022 Position Statement?	<input type="checkbox"/> Yes	Yes, the Terms of Reference of the Audit & Governance Committee identify responsibilities for Governance, Risk and Control Arrangements, Finance and Governance reporting, establishing appropriate and effective arrangements for audit and assurance.
Do all those charged with governance and in leadership roles have a good understanding of the role and purpose of the committee?	<input type="checkbox"/> Yes	The role and purpose of the Audit & Governance Committee is set out in the Council’s Standing orders including what it can do, the arrangements for meetings, required quorums etc. Attendance by Senior Officers including the Chief Executive and Executive Directors at every Committee meeting demonstrates the understanding.
Does the audit committee escalate issues and concerns promptly to those in governance and leadership roles?	<input type="checkbox"/> Yes	The Audit & Governance Committee is well attended by Senior Officers including the Chief Executive and Executive Directors and escalation of issues to Council is covered in the terms of reference section G.
Does the governing body hold the audit committee to account for its performance at least annually?	<input type="checkbox"/> No	The Audit & Governance Committee has not previously completed annual reviews however this annual review will now be completed every year going forward.

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East Lothian Council Audit & Governance Committee – self-assessment of Good Practice at August 2023

Functions of the committee	Yes/Partly /No	Comments
Does the committee publish an annual report in accordance with the 2022 guidance, including:		
compliance with the CIPFA Position Statement 2022	<input type="text" value="No"/>	This report will provide the first Annual report of the Audit & Governance Committee and will cover these items.
results of the annual evaluation, development work undertaken and planned improvements	<input type="text" value="No"/>	
how it has fulfilled its terms of reference and the key issues escalated in the year?	<input type="text" value="No"/>	
Do the committee’s terms of reference explicitly address all the core areas identified in CIPFA’s Position Statement?		
<ul style="list-style-type: none"> • Governance arrangements 	<input type="text" value="Yes"/>	Reference in Terms of Reference relation to section A 4 to Governance.
<ul style="list-style-type: none"> • Assurance framework 	<input type="text" value="Yes"/>	Reference in Terms of Reference to section A 2 (f).
<ul style="list-style-type: none"> • Internal audit and Internal Control Arrangements including: <ul style="list-style-type: none"> ○ Financial management ○ Value for money ○ Ethics and standards ○ Counter fraud and corruption 	<input type="text" value="Yes"/>	Reference in Terms of Reference section A 3, 4 & 1(c).
<ul style="list-style-type: none"> • External audit 	<input type="text" value="Yes"/>	Reference in Terms of Reference to section A 2 (c), (e) & (f).

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East Lothian Council Audit & Governance Committee – self-assessment of Good Practice at August 2023

Functions of the committee (cont’d)	Yes/Partly /No	Comments
<ul style="list-style-type: none"> Risk management arrangements 	<input type="checkbox"/> Yes	Reference in Terms of Reference to section A 1 (a).
<ul style="list-style-type: none"> Annual Governance Statement 	<input type="checkbox"/> Yes	Reference in Terms of Reference to section A 1 (d), 3 (b) & 4.
Over the last year, has adequate consideration been given to all core areas?	<input type="checkbox"/> Yes	Reports have been received that cover all core areas at meetings of the Audit & Governance Committee.
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?	<input type="checkbox"/> Yes	The Audit & Governance Committee has only considered items that align with its core functions.
Has the committee met privately with the external auditors and head of internal audit in the last year?	<input type="checkbox"/> Yes	The Service Manager Internal Audit and Audit Scotland have met privately with the Audit & Governance Committee.
Has the Committee been established in accordance with the 2022 guidance as follows:		
Separation from the Executive	<input type="checkbox"/> Yes	Audit & Governance Committee terms of reference state that members are only drawn from non-Cabinet members of Council.
A size that is not unwieldy and avoids the use of substitutes	<input type="checkbox"/> Yes	Regular attendance by all members without substitutes evidences compliance.
Inclusion of lay/co-opted independent members in accordance with legislation or CIPFA’s recommendation.	<input type="checkbox"/> No	Consideration is being given on how to recruit lay/co-opted members and what skill sets these members would require.

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East Lothian Council Audit & Governance Committee – self-assessment of Good Practice at August 2023

Membership and support

	Yes/Partly /No	Comments
Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled.	Yes	Elected Members on the Audit & Governance Committee are selected in accordance with the arrangements set out in the terms of reference as part of the Council’s Standing Orders. Committee members bring a wide variety of skills, experience and knowledge. Continued further training and development requirements will remain under review.
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	Following the May 2022 local government elections and appointment to the Audit & Governance Committee the elected members’ induction programme was completed, arrangements will be made to complete an evaluation of knowledge, skills and training needs.
Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance?	Yes	Induction training has been provided for all members which covers key areas of the 2022 guidance, further regular training events have taken place with members of the Committee and will continue to take place.
Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance?	Yes	The Committee members have satisfactory level of knowledge and experience in all key areas.
Does the committee have good working relations with key people and organisations, including external audit, internal audit and the chief financial officer?	Yes	The Chair meets with the Executive Director for Council Resources, the Head of Finance and the Service Manager Internal Audit in advance of each Audit & Governance Committee meeting, and has the option to meet with External Auditors, in private. The Audit & Governance Committee members have a pre-meeting with senior management prior to each Audit & Governance Committee meeting to enable wider context of Council business.
Is adequate secretariat and administrative support to the committee provided?	Yes	Yes.
Has the committee obtained positive feedback on its performance from those interacting with the committee or relying on its work?	Partly	Feedback is provided through regular meetings with Committee members and opportunity for communication with Internal and External audit, including private meeting, and management in pre-meetings. The reporting of this work to Council will provide opportunity for Council feedback to be provided.
Are meetings well chaired, ensuring key agenda items are addressed with a focus on improvement?	Yes	As reflected in the Minutes of the Committee.

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East Lothian Council Audit & Governance Committee – self-assessment of Good Practice at August 2023

Effectiveness of the committee	Yes/Partly/No	Comments
Are meetings effective with a good level of discussion and engagement from all members?	Yes	As reflected in the Minutes of the Committee.
Has the Committee maintained a non-political approach to discussions throughout?	Yes	As reflected in the Minutes of the Committee.
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?	Yes	The Chief Executive and appropriate Executive Directors attend all Audit & Governance Committee meetings and respond to members’ questions for the business being considered by the Committee to ensure action findings and action plans are acted upon. Corporate and Service Risk registers are presented to the Committee.
Does the committee make recommendations for the improvement of governance, risk and control arrangements?	Yes	Recommendations are made by the Committee to Council in accordance with the business considered by the Committee. An Action Tracker for the Audit & Governance Committee is in place to monitor completion of their recommended actions.
Do audit committee recommendations have traction with those in leadership roles?	Yes	The Chief Executive, Directors and the Section 95 Officer attend all Audit & Governance Committee meetings and respond to members’ questions as appropriate for the business being considered by the Committee to ensure action findings and action plans are acted upon.
Has the committee evaluated whether and how it is adding value to the organisation?	Partly	This is the first formal assessment of the Audit & Governance Committee although regular assessment is undertaken in the Audit & Governance Committee pre-meetings with the Chair of the Committee.
Does the committee have an action plan to improve any areas of weakness?	No	Following the agreement of this assessment an action plan will be created.
Has this assessment been undertaken collaboratively with the audit committee members?	Yes	All members of the Audit & Governance Committee were asked to complete a questionnaire to provide an aggregate view for this self-assessment.

Areas where the Audit Committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment 5-1 see key below
<p>1. Promoting the principles of good governance and their application to decision making.</p>	<p>Supporting the development of a local code of governance. Providing robust review of the Annual Governance Statement (AGS) and the assurances underpinning it. Working with key members/governors to improve their understanding of the AGS and their contribution to it. Supporting reviews/audits of governance arrangements. Participating in self-assessments of governance arrangements. Working with partner audit committees to review governance arrangements in partnerships.</p>	<p>Committee scrutinised the Council's Corporate Governance Self – Evaluation in June 2023, along with the Controls Assurance Statement forming the key elements of the Annual Governance Statement that forms part of the Annual Report and Accounts, which is scrutinised prior to finalisation on an annual basis. Internal audit completes and reports on Council Governance arrangements to the Audit & Governance Committee on a regular basis. All ALEO's of the Council report to the Audit & Governance Committee on an annual basis.</p>	<p>5</p>
<p>2. Contributing to the development of an effective control environment.</p>	<p>Actively monitoring the implementation of recommendations from auditors. Encouraging ownership of the internal control framework by appropriate managers. Raising significant concerns over controls with appropriate senior managers.</p>	<p>Audit & Governance Committee receives progress reports from Internal Audit on follow up activity for the prior year reports monitoring implementation of recommendations. Chief Executive, Executive Directors, Heads of Service and other Council managers regularly attend the Audit & Governance Committee to allow concerns to be raised.</p>	<p>4</p>
<p>3. Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks.</p>	<p>Reviewing risk management arrangements and their effectiveness, e.g. risk management benchmarking. Monitoring improvements. Holding risk owners to account for major/strategic risks.</p>	<p>Risk Management reports are provided to the Audit & Governance Committee at every meeting ensuring coverage of all Service Risk Registers and the Council Risk Register on an annual basis. Heads of Service are in attendance</p>	<p>5</p>

Areas where the Audit Committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment 5-1 see key below
		at the Audit & Governance Committee to be held to account for major/strategic risks. In addition Internal Audit provide an annual opinion on the adequacy and effectiveness of risk management on an annual basis.	
4. Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively.	Reviewing the adequacy of the leadership team's assurance framework. Specifying the committee's assurance needs, identifying gaps or overlaps in assurance. Seeking to streamline assurance gathering and reporting. Reviewing the effectiveness of assurance providers, e.g. internal audit, risk management, external audit.	Annual Strategies and Plans and periodic progress Reports received from Internal and External Audit, which outline Governance and Assurance Framework, in alignment with Audit Cycle. Regular assurance reports provided on internal control, governance & risk management.	4
5. Supporting effective external audit, with a focus on high quality and timely audit work.	Reviewing and supporting external audit arrangements with focus on independence and quality. Providing good engagement on external audit plans and reports. Supporting the implementation of audit recommendations.	External Audit Annual Plans and reports are submitted to the Committee and supported to conclusion of recommendations.	4
6. Supporting the quality of the internal audit activity, particularly by underpinning its organisational independence.	Reviewing the audit charter and functional reporting arrangements. Assessing the effectiveness of internal audit arrangements, providing constructive challenge and supporting improvements. Actively supporting the quality assurance and improvement programme (QAIP) of internal audit.	Committee considered and approved the Internal Audit Charter. Committee considers and approves the Internal Audit Plan, revisions to the plan, and regular Internal Audit reports with recommendations. Committee received Internal Audit QAIP and PSIAS conformance within annual assurance reports.	5

Areas where the Audit Committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment 5-1 see key below
7. Aiding the achievement of the authority's goals and objectives through helping to ensure appropriate governance, risk, control and assurance arrangements.	<p>Reviewing how the governance arrangements support the achievement of sustainable outcomes.</p> <p>Reviewing major projects and programmes to ensure that governance and assurance arrangements are in place.</p> <p>Reviewing the effectiveness of performance management arrangements.</p>	<p>Internal Audit provided audit reviews on a number of topics during 2022/23 including Climate Change Strategy, City Deal Governance and Performance Indicators.</p>	4
8. Supporting the development of robust arrangements for ensuring value for money.	<p>Ensuring that assurance on value for money arrangements is included in the assurances received by the audit committee.</p> <p>Considering how performance in value for money is evaluated in Annual Governance Statement (AGS).</p> <p>Following up issues raised by external audit in their value-for-money work.</p>	<p>Internal and External Audit provide assurance on value for money and best value arrangements throughout the audit work undertaken.</p> <p>The Annual Governance Statement sets out the Governance Framework including arrangements for best value.</p>	4
9. Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks.	<p>Reviewing arrangements against the standards set out in the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014).</p> <p>Reviewing fraud risks and the effectiveness of the organisation's strategy to address those risks.</p> <p>Assessing the effectiveness of ethical governance arrangements for both staff and governors.</p>	<p>The Annual Internal Audit Report (June 2023) and reports on NFI work that are provided to the Audit & Governance Committee every 2 years provide evidence of review on fraud effectiveness. Regular Risk reports provide evaluation against fraud risk in the Service reports. Further fraud reporting has been requested by the Audit & Governance Committee and an Annual Counter Fraud report is being developed.</p>	3

Areas where the Audit Committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment 5-1 see key below
10. Promoting effective public reporting to the authority's stakeholders and local community and measures to improve transparency and accountability.	Working with key members to improve their understanding of the AGS and their contribution to it. Improving how the authority discharges its responsibilities for public reporting; for example, better targeting at the audience, plain English. Reviewing whether decision making through partnership organisations remains transparent and publicly accessible and encourages greater transparency. Publishing an annual report from the committee.	Committee scrutinises the Annual Report and Accounts including the Management Commentary for stakeholders. Reporting in Public of all of the Council ALEO organisations through the Audit & Governance Committee provides greater transparency of the Governance arrangements of these bodies. Audit & Governance Committee Annual Report will be presented to Council in public.	4

Assessment key	
5	Clear evidence is available from a number of sources that the committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.
4	Clear evidence from some sources that the committee is actively and effectively supporting improvement across some aspects of this area.
3	The committee has had mixed experience in supporting improvement in this area. There is some evidence that demonstrates their impact but there are also significant gaps.
2	There is some evidence that the committee has supported improvements, but the impact of this support is limited.
1	No evidence can be found that the audit committee has supported improvements in this area.