

Finance, Resources, Audit and Governance Committee
20 September 2024

Feedback Survey Results from those who interact with or rely on the work of the Committee.

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Portfolio: Finance

Ward(s) Affected: All

Purpose of the Report:

This report outlines:

- the results of the Finance, Resources, Audit and Governance Committee's feedback survey, sent to those to interact or rely on the work of the Committee.

Recommendations:

That: -

- Members note the results of the Committee's feedback survey, attached at Appendix 1.
- Members to consider the feedback responses and ask that the comments identified through the feedback are addressed in the Committee's training plan.

1. Summary

1.1 The Chartered Institute for Public Finance and Accountancy (CIPFA) document on "Audit committees- practical guidance for local authority and police 2022" suggests that audit committees seek feedback from those who interact with the committee or rely on its work.

1.2 A survey seeking feedback was sent out to Cabinet Members, the Portfolio Holder, members of the Management Team and other key officers that regularly interact

with the committee. Of the 24 surveys sent out, six were returned; five were from Officers and one was from a Cabinet Member. The results of these surveys are summarised in **Appendix 1**.

2. Background

- 2.1 The Chartered Institute for Public Finance and Accountancy (CIPFA) document on “Audit committees – practical guidance for local authorities and police 2022” sets out the guidance on the function and operation of audit committees. It represents CIPFA’s view of best practice. The guidance states the purpose of an audit committee “is to provide an independent and high-level focus on the adequacy of governance, risk, and control arrangements.
- 2.2 Good audit committees are characterised by; objective, independent knowledgeable and properly trained members, a membership that promotes good governance principles, a strong, independently minded chair, an unbiased attitude, the ability to challenge when required.
- 2.3 The CIPFA document suggests it is good practice for an audit committee to seek feedback from those who interact with the committee or rely on its work to ascertain any areas of improvement.

3. Current position/findings

- 3.1 A survey seeking feedback was sent out to Cabinet Members, the Portfolio Holder, members of the Management Team and other key officers that regularly interact with the Committee.
- 3.2 Twenty-four surveys were sent out in total, of which six were returned; five were from Officers and one was from a Cabinet Member.
- 3.3 Results showed a good general understanding of the role of the Audit Committee.
- 3.4 Responses to question 4, ‘In your view, is there anything the Audit Committee is not doing, or could be doing better’, indicated that there are some areas where it is felt improvements could be made. The areas for possible improvements can be addressed through the Committee’s training plan.

4. Proposed action

- 4.1 For Members to note the results of the Committee’s feedback survey, attached at **Appendix 1**.
- 4.2 For Members to consider the feedback responses and ask that the comments identified through the feedback are addressed in the Committee’s training plan.

5. Issues and Risks

- 5.1 **Resource implications** –there are no resource implications arising from this report.

- 5.2 **Legal implications** – there are no legal implications arising from this report.
- 5.3 **Equality implications** – there are no equality implications arising from this report.
- 5.4 **Environmental impact** – there are no impacts on the environment arising from this report.
- 5.5 **Crime and disorder** – there are no impacts upon crime and disorder arising from this report.
- 5.6 **Risks** – There is a risk that the Committee may not fulfil its role and purpose because improvements are not considered.

6. Conclusion

- 6.1 Feedback has been sought from those who interact with the Committee or rely on its work.
- 3.5 Results showed a good general understanding of the role of the Audit Committee.
- 3.6 Responses raised some potential areas for improvement, which can be addressed through the Committee’s training plan.

7. Recommendations

- 7.1 For Members to note the results of the Committee’s feedback survey, attached at **Appendix 1**.
- 7.2 Members to consider the feedback responses and ask that the comments identified through the feedback survey are addressed in the Committee’s training plan.

Background papers

Appendices:

Appendix 1 – Results of the Committee’s Feedback Survey

Results of the Committee’s Feedback Survey

Question	Answer
<p>1. What is your understanding of the role of the Audit Committee at the Council?</p>	<ul style="list-style-type: none"> • My understanding of this committee is to review all financial matters of the Council along with governance of financial processes. • To monitor the risk and governance of how the authority operates based on delegated authority from Cabinet. • To provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority’s financial and non-financial performance to the extent that it affects the authority’s exposure to risk and weakens the control environment, and to oversee the financial reporting process. • To provide oversight and scrutiny to council functions and to monitor audits undertaking and the implementations of any actions required. • To keep a casting and critical eye over our internal controls of governance, finance, performance, and audit and promote the work of internal audit and our governance framework. • To review the governance and reporting of the Council's finances to provide reassurance to the councillors and the general public that the Council's finances are used effectively and efficiently, and the financial information is sound. The Audit Committee with review key financial reports, key controls, and financial policies as part of their remit.

Results of the Committee’s Feedback Survey

Question	Answer
<p>2. Please detail your interaction or involvement with the Audit Committee (this may be directly with the Committee or indirectly with Committee attendees or sight of reports)</p>	<ul style="list-style-type: none"> • As a Cabinet Member I see the reports in the relevant agendas and also receive updates from the portfolio holder. • Infrequent direct involvement. • Mainly attend to provide presentation of reports. Also provide DMO support. • Completion of the Registered provider self-assessment When called upon to provide subject matter expert explanations for outstanding audit actions within Housing, Benefits and Council Tax support. • Attendance at all meetings. • I write reports and presentations for the audit committees and present these periodically, in relation to the year-end statutory accounts, Big Sky reporting and occasionally in relation to audit recommendations raised to the finance department.
<p>3. <i>“The purpose of the audit committee is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The committee’s role in ensuring that there is sufficient assurance over governance, risk and control give greater confidence to all those charged with governance that those arrangements are effective. The committee has oversight of both internal and external audit, together with the financial and governance reports, helping to ensure that there are adequate</i></p>	<ul style="list-style-type: none"> • Yes • Yes • Yes • No • To an extent, yes

Results of the Committee’s Feedback Survey

Question	Answer
<p><i>arrangements in place for both internal challenge and public accountability.”</i></p> <p>Having read the above paragraphs, do you believe that the Council’s Audit Committee is fulfilling this purpose?</p>	
<p>4. In your view, is there anything the Audit Committee is not doing, or could be doing better?</p>	<ul style="list-style-type: none"> • I personally don't and I have not heard any concerns raised by my Group. • No • I think they could be more focused at times and remember what their remit is. We have offered a number of optional training sessions for audit committee members (and others) to learn more about specific areas such as the statutory accounts and Big Sky. Some of these have seen quite a poor uptake and demonstrated a lack of understanding as to what their role is in relation to these areas. I wouldn't expect to receive any further comments from the committee about not understanding these areas after we have run the training but that remains to be seen. • Finances currently do not go to Audit as far as I am aware, I would say this is a key element of governance that the committee should have oversight of. • More oversight of council owned companies, not currently in their terms of reference. • The Committee need to have a better understanding of what is currently topical in local government. Perhaps

Results of the Committee's Feedback Survey

Question	Answer
	they require more training or more informal briefings by the management team on key issues happening at the moment. It will allow for the committee to have better and more informed discussions.

Knowledge Area	Details of Core Knowledge Required	Total Score (/25)
Audit Committee Role and Functions	4. Familiarity with the committee’s terms of reference and accountability arrangements.	18
	3. An understanding of the audit committee’s role and place within the governance structures.	19
	5. Knowledge of the purpose and role of the audit committee.	21
	Total score (/ 75)	58
Counter Fraud	27. Knowledge of the principles of good fraud risk management practice in accordance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014).	17
	28. Knowledge of the organisation’s arrangements for tackling fraud.	17
	26. An understanding of the main areas of fraud and corruption risk that the organisation is exposed to.	18
	Total score (/ 75)	52
External Audit	21. Knowledge about arrangements for the appointment of auditors and quality management undertaken.	16
	20. Familiarity with the auditor’s most recent plan and the opinion reports.	17
	18. Knowledge of the role and functions of the external auditor and who currently undertakes this role.	18
	19. Knowledge of the key reports and assurances that external audit will provide.	18
	Total score (/ 100)	69
Financial Management and Financial Reporting	16. Knowledge of how the organisation meets the requirements of the role of the CFO as required by The Role of the Chief Financial Officer in Local Government (CIPFA, 2016).	16
	15. An understanding of good financial management practice as set out in the CIPFA Financial Management Code (FM Code) and the level of compliance with it.	17
	14. Awareness of the financial statements that a local authority must produce and the principles it must follow to produce them.	18
	17. An overview of the principal financial risks the authority faces.	20
	Total score (/ 100)	71

Results of Knowledge and Skills self-assessments

Appendix 3

Governance	7. The requirements of the AGS	15
	8. How the principles of governance are implemented locally as set out in the local code of governance.	15
	6. Knowledge of the seven principles* as outlined in Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016).	20
	Total score (/ 75)	50
Internal Audit	9. An awareness of the key principles of the PSIAS and the LGAN.	14
	10. How the role of the head of internal audit is fulfilled.	16
	11. Details of the most recent external assessment and level of conformance with the standards.	18
	12. Knowledge of the arrangements for delivery of the internal audit service in the authority and the charter.	19
	13. Internal audit's strategy, plan and most recent annual opinion.	20
	Total score (/ 125)	87
Organisational Knowledge	1. An overview of the authority's governance structures and decision-making processes.	17
	2. Knowledge of the organisational objectives and major functions of the authority.	17
	Total score (/ 50)	34
Risk Management	24. Understanding of risk governance arrangements, including the role of members and of the audit committee.	17
	23. Knowledge of the risk management policy and strategy of the organisation.	18
	25. Knowledge of the current risk maturity of the organisation and any key areas of improvement.	19
	22. Understanding of the principles of risk management, including how it supports good governance and decision making.	20
	Total score (/ 100)	74
Values of Good Governance	31. Knowledge of the whistleblowing arrangements in the authority.	16
	29. Knowledge of the Seven Principles of Public Life.	20
	30. Knowledge of the authority's key arrangements to uphold ethical standards for both members and staff (e.g., code of conduct).	20
	Total score (/ 75)	56

