

**STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL**

**Audit & Accounts Committee**

**29 November 2024**

<b>TITLE:</b>	<b>Audit and Accounts Committee 2023/24 - Review of Effectiveness and Terms of Reference</b>
<b>PORTFOLIO HOLDER:</b>	<b>Councillor Chris Wood – Portfolio Holder for Finance</b>
<b>CONTACT OFFICER:</b>	<b>Martin Owen – Executive Director (Resources)</b>
<b>WARDS INVOLVED:</b>	<b>Non-Specific</b>

**Appendices Attached: Appendix 1 CIPFA Self-Assessment of Good Practice  
Appendix 2 CIPFA Assessment Tool - Evaluating the Impact and Effectiveness of the Audit Committee  
Appendix 3 Audit & Accounts Committee Terms of Reference**

- 1. Reason for the Report**
- 1.1 Members of the Audit & Accounts Committee will be aware of the requirement to comply with the Accounts & Audit Regulations 2015. As part of this process of assurance, best practice suggests that an annual review of the effectiveness of the Audit & Accounts Committee should be undertaken. At the last meeting in August 2024 the Committee nominated a member to complete the CIPFA self-assessment checklist and the CIPFA assessment tool in conjunction with the Head of Audit and Executive Director (Resources).
- 1.2 At the August 2024 meeting the Committee agreed to a review of the committee Terms of Reference against the current CIPFA guidance with a view to an updated version being presented for consideration at its next meeting.

## 2. Recommendation

- 2.1 The Committee discussed and notes the completed self-assessment checklist (**Appendix 1**) and assessment tool (**Appendix 2**) and forms agreement on their content and any future actions required that may help to achieve a good standard of performance.
- 2.2 The Committee notes the review of its Terms of Reference (**Appendix 3**) and makes an appropriate recommendation to Council for approval.

## 3. Executive Summary

- 3.1 This report and accompanying appendices will assist the Audit & Accounts Committee in its consideration and discussion on the effectiveness of the Committee, and how this is to be measured. CIPFA guidance published in October 2022 sets out the basis for the self-assessment.
- 3.2 As the Committee will be considering and discussing the effectiveness of the Audit & Accounts Committee, it is appropriate for the Audit & Accounts Committee's Terms of Reference (TOR) to be considered also.

## 4. How this report links to Corporate Priorities

- 4.1 The assurance provided by the work of the Audit & Accounts Committee informs the Annual Governance Statement and therefore helps to confirm effective use of financial and other resources to ensure value for money.

## 5. Alternative Options

- 5.1 Approve the recommended actions. A good standard of performance against recommended practice, together with a knowledgeable and experienced membership will ensure that the Audit & Accounts Committee meets the essential requirements for delivering effectiveness.
- 5.2 Do not approve the recommended actions. The Audit & Accounts Committee may not meet the essential requirements for delivering effectiveness.

**MARTIN OWEN**  
**Executive Director (Resources)**

### Web Links and Background Papers

Audit Committees Practical Guidance for Local  
Authorities and Police 2022 Edition  
Accounts & Audit Regulations 2015 (as amended)

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## 6. Detail

- 6.1 An audit committee's effectiveness should be judged by the contribution it makes to, and the beneficial impact it has on, the authority's business. Since it is primarily an advisory body, it can be more difficult to identify how the audit committee has made a difference. Evidence of effectiveness will usually be characterised as 'influence', 'persuasion' and 'support'. A good standard of performance against recommended practice, together with a knowledgeable and experienced membership are essential requirements for delivering effectiveness.
- 6.2 Using the recommended practice in the CIPFA Audit Committees Practical Guidance should help the authority to achieve a good standard of performance. Included within this guidance is a checklist 'Self-Assessment of Good Practice' which will support an assessment against recommended practice to inform and support the audit committee.
- 6.3 Also contained within the guidance is an assessment tool 'Evaluating the Impact and Effectiveness of the Audit Committee' to help audit committee members to consider where it is most effective and where there may be scope to do more. To be considered effective, the audit committee should be able to identify evidence of its impact or influence linked to specific improvements.
- 6.4 The draft self-assessment checklist (**Appendix 1**) and the draft assessment tool (**Appendix 2**) have been completed by the nominated Committee member in conjunction with the Head of Audit and Executive Director (Resources).
- 6.5 As the Committee will be considering and discussing the effectiveness of the Audit & Accounts Committee, it is appropriate for the Audit & Accounts Committee's Terms of Reference to be considered also. The current TOR were based on the CIPFA suggested TOR, however, the CIPFA suggested TOR have since been updated. Therefore the Committee's TOR have been reviewed against this latest CIPFA guidance and are attached at **Appendix 3**.