

Audit and Accounts Committee self assessment exercise undertaken in February 2013

In accordance with best practice, members of the Audit and Accounts Committee agreed to undertake a self assessment exercise to consider their effectiveness, at the meeting of the Committee on 19 September 2012. We agreed that the results of the exercise would be reported to members at the next meeting of the Audit and Accounts Committee on 13 March 2013.

The self assessment exercise has been administered by the Lancashire Internal Audit Service in conjunction with the Committee Services section at the Council. Members of the Council were sent a questionnaire in January 2013, which was completed and returned by 5 individuals, 3 of whom are current members of the Audit and Accounts Committee.

A summary of the results and specific comments on individual questions has been produced for consideration by members.

Overall, the broad conclusion is that whilst support would be welcomed in certain areas, the Committee is operating largely effectively. Member's particularly felt that, in the main, the Audit and Accounts Committee has open channels of communication with officers as well as the internal and external auditors in carrying out their duties.

Members are generally clear about the role of the Committee and consider the information submitted to members as concise, relevant and timely. It is felt that, most of the time, the right people are invited to attend and present at the meeting.

Members of the Committee should consider the results of the exercise and discuss the way forward and any action points arising. In addition, consideration should be given to the benefits of the self assessment exercise and how often this should be repeated.

Audit and Accounts Committee effectiveness - Responses

Assessment scores:

N/A = not applicable

1 = hardly ever/ poor

2 = occasionally/ inadequate

3 = most of the time/ satisfactory

4 = all of the time/ good

Processes

1 Members with appropriate skills and experience

The Audit and Accounts Committee comprises members with an appropriate mix of skills and experience, including some relevant financial experience

2 Clear terms of reference

There are clear, up to date terms of reference, with clarity as to the Committee's role in relation to the Council and other Committees

3 Clear as to risk management responsibilities

The Audit and Accounts Committee is clear about its role in relation to risk management

4 Structured and appropriate annual agenda

There is a structured annual agenda of matters to be covered, with focus on the right areas

5 Sufficient number of meetings and access to resources

The number and length of meetings and access to resources is sufficient to allow the Committee fully to discharge its duties

6 Concise, relevant and timely information

Audit and Accounts Committee papers are concise, relevant and permit timely resolution of the issues raised

7 The right people invited to attend and present at meetings

Senior officers and others are asked to present on issues as appropriate

8 Attendance and contribution to meetings

All Audit and Accounts Committee members attend and actively contribute at meetings

9 Sufficient time and commitment to undertake responsibilities

All Audit and Accounts Committee members have sufficient time and commitment to fulfil their responsibilities

10 On-going personal development

Audit and Accounts Committee members have access to on-going development activities to update their skills and knowledge

11 Role in relation to whistle-blowing

The Audit and Accounts Committee is informed of the whistle-blowing procedures in place within the Authority

	N/A	1	2	3	4	Ave
1 Members with appropriate skills and experience	0	1	3	1		3.00
2 Clear terms of reference	0	0	2	3		3.60
3 Clear as to risk management responsibilities	0	1	1	3		3.40
4 Structured and appropriate annual agenda	0	0	3	2		3.40
5 Sufficient number of meetings and access to resources	0	0	3	2		3.40
6 Concise, relevant and timely information	0	0	2	3		3.60
7 The right people invited to attend and present at meetings	0	0	2	3		3.60
8 Attendance and contribution to meetings	0	1	3	1		3.00
9 Sufficient time and commitment to undertake responsibilities	0	0	4	1		3.20
10 On-going personal development	0	0	3	2		3.40
11 Role in relation to whistle-blowing	0	0	1	4		3.80

Activities

12 Understanding the Authority's business

All Audit and Accounts Committee members have a good understanding of the different risks inherent in the Authority's business activities

13 Focus on appropriate areas

The Audit and Accounts Committee focuses on the right questions and is effective in avoiding minutia

14 Quality of interaction with external auditors

The Audit and accounts Committee actively engages with the external auditors regarding the scope of their work and audit findings

15 Quality of interaction with internal audit

The Audit and Accounts Committee demonstrates an appropriate degree of involvement in the work of internal audit and its findings

16 Understanding of key financial issues

The Audit and Accounts Committee has a good understanding of the key financial issues, critical accounting policies and complex transactions

17 Understanding of how assurance is gained

The Audit and Accounts Committee understands the interaction between the various sources of assurance available to it

18 Rigour of debate

Audit and Accounts Committee meetings encourage a high quality of debate with robust and probing discussions

19 Reaction to bad news

The Audit and Accounts Committee responds positively and constructively to bad news to encourage future transparency

20 Quality of chairmanship

The Chair promotes effective and efficient meetings, with an appropriate level of involvement outside the formal meetings

21 Frank, open working relationship with senior officers

Audit and Accounts Committee members have a frank and open relationship with senior officers, whilst avoiding the temptation to act as officers

22 Open channels of communication

The Audit and Accounts Committee has open channels of communication with officers and other members to keep it aware of topical/ regulatory issues

23 Perceived to have a positive impact

There is an appropriate balance between the monitoring role and the Committee acting as an "influencer for good"

N/A	1	2	3	4	Ave
	0	1	2	2	3.20
	0	2	2	1	2.80
	0	0	2	3	3.60
	0	0	2	3	3.60
	0	1	4	0	2.80
	0	1	3	1	3.00
	0	1	3	1	3.00
	0	1	2	2	3.20
1	0	0	2	2	3.50
	0	0	3	2	3.40
	0	0	1	4	3.80
	0	0	4	1	3.20

Re Q2 - Not sure when the terms of reference were last reviewed though know they are due for review in March.

Re Q3 - Think a training session possibly by the auditors on risk would be useful

Re Q8 - Obviously some members do not contribute as much but this is always the case.

Re Q16 - This is quite difficult as there are differing levels of financial skills but it would be of benefit to reinforce this.

24 How do we know that we are being effective in achieving our terms of reference and adding value to the corporate governance of the Authority?

We regularly assess the scope and quality of the work we do as a committee and ensure that our decisions and recommendations are acted upon.

By the little or no negative feedback of any concerns being specifically of any major concerns.

This is a difficult question as would need to assess this over a longer period. The main issue is the extent to which recommendations are followed by the Council and implemented.

25 How do we know what impact we are having?

By the positive feedback we receive from internal & external audit.

By achieving the past re-grading from being a 'poor' performing Council to a 'Good' performing Council.

Having adequate or good controls in how we operate.

This is a difficult question as would need to assess this over a longer period. The main issue is the extent to which recommendations are followed by the Council and implemented

26 What do we do well as a Committee?

We work well and constructively with officer of the Council and internal and external audit staff.

Question! Challenge! Scrutinise! Implement changes if, when and where appropriate.

Good range of areas covered with the internal audit reports.

27 What could we do differently or better as a Committee?

It is difficult to think of anything at this time. We constantly review our activities and welcome any constructive criticism which is assessed and if appropriate acted upon. .

Become fully knowledgeable on all aspects to the changes as they are introduced through the training given (reference also question 10)

Would like to see more input into the risk assessment and planning of areas to be covered. Possibly a spreadsheet which identifies all possible risk areas which is then considered on an annual basis as part of the internal audit planning process.

