

**Public
Key Decision No**

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Corporate Governance Committee's effectiveness self-assessment, Improvement Action Plan, and areas for knowledge building.

Meeting/Date: Corporate Governance Committee – 24th January 2024

Executive Portfolio: Executive Councillor for Corporate & Shared Services, Councillor Martin Hassall

Report by: D Moss, Internal Audit Manager

Ward(s) affected: All Wards

Executive Summary:

Corporate Governance Committee held two informal sessions of its members to carry out a self-assessment exercise of its effectiveness in conformance to best practice.

The results of the assessment are provided within this report to allow the Committee to agree this and the proposed action plan and make any amendments.

The committee self-assessment has indicated that the Committee feels it is acting in line with best practice generally and is adding value to the Council through its role but through recognising partial conformance in areas it has identified that there are a number of opportunities to improve the effectiveness of Committee. These have been captured in an Action Plan for the forthcoming year. Evidence from this review and resultant actions will be used within Committee's Annual Report to Council.

Frequency of this self-assessment or effectiveness exercise has not been decided although the Chair and Vice-Chair have said they will be guided by the LGA peer governance review and its recommendations.

RECOMMENDED

That the Corporate Governance Committee discusses and agrees the self-assessment record attached to ensure that it is an accurate reflection of their discussion and actions required and amend/update as required.

1.0 PURPOSE OF THE REPORT

- 1.1 This report summarises the outcome of the two informal sessions of the Corporate Governance Committee members when they considered Committee's overall effectiveness.

2. BACKGROUND

Whilst it is not a statutory requirement, it is considered best practice – both in the public and private sectors – that the 'audit committee' (the Corporate Governance Committee at HDC) review its own effectiveness.

The Internal Audit Manager prepared questions based upon the Chartered Institute of Public Finance and Accountancy (CIPFA) model questions and incorporating the key principles set out in CIPFA's Position Statement: Audit Committees in Local Authorities and Police. CIPFA also provides a wider interactive 'effectiveness toolkit' comprising many more questions but the Chair decided to use a shorter set of questions especially given that this was the first effectiveness review of committee under the new Administration. It was decided that the longer model would be used for a review at a later date.

Informal sessions were held on 21st September (5 Members present) and 29th November (11 Members present), facilitated by the Internal Audit Manager.

Good audit committees are characterised by: balanced, objective, independent, knowledgeable and properly trained members, a membership that is supportive of good governance principles, a strong independently-minded Chair, an unbiased attitude and the ability to challenge when required.

It is therefore good practice to complete a regular self-assessment against the checklist, to be satisfied that the committee is performing effectively. Resultant actions that have been identified help ensure full compliance with best practice and discharge of responsibilities as an audit committee to full Council.

The self-assessment is a yes/no /partial response and score based on ?? and covers:

- purpose and governance
- functions of the committee
- membership and support
- effectiveness of committee.

The exercise has highlighted areas of partial conformance with best practice. Where a partial conformance areas has been identified, an action

with a deadline has been outlined in the action plan (Appendix 2). Progress against these improvement actions will be monitored by the Committee.

The Chairman of the Committee is of the opinion that the Committee are acting effectively and fulfilling its terms of reference. A number of opportunities to further improve Committee effectiveness have been identified and are detailed below.

3. CONSULTATION

1.1 None.

4. LEGAL IMPLICATIONS

1.2 None.

5. RESOURCE IMPLICATIONS

None

6. RISK IMPLICATIONS

Corporate Governance Committee is responsible for supporting the oversight of the Council's risk management framework, which will in turn ensure that the Council's key risks are accurately reviewed and address. This is ensured by following best practice and adopting sound terms of reference.

7. BACKGROUND PAPERS

CIPFA's Position Statement on Audit Committees

Appendix 1: Corporate Governance Committee Self-assessment record
November 2023

Appendix 2: Corporate Governance Committee Improvement Action Plan

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