



Audit & Governance Committee Effectiveness Review 2024/25

March 2025

Members of the Audit and Governance Committee met on 5 December 2024 to conduct a self-assessment to evaluate the Committee’s impact and effectiveness over the previous year. This was carried out based on the evaluation tool provided with the CIPFA Position Statement 2022 on Audit Committees in Local Authorities. The review results will be utilised to support planning of the Committee’s future work programme and training plans.

CIPFA guidance states that an audit and governance 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’. The broad areas that the Committee may support are illustrated below and formed the basis for this review.

Figure 1: The influential audit and governance committee



Overall Comments for 2024/25

The effectiveness review evidenced strengths achieved from the addition of an Independent Member to add knowledge and expertise to the committee.

The Committee members have found the bitesize trainings sessions useful and informative but noted that there is still a need for more information and context from internal auditors to enable members to scrutinise the implications and actions agreed from audit reviews. Members expressed a desire for the online Reading Room to have better functionality and the request for pre and post briefings on training sessions would be beneficial.

Members welcomed the year end reporting from the external auditors KPMG with the assurance of continued transparency moving forward. Members expressed their satisfaction with the strong policies in place and the open, transparent independent discussions members are involved in during meetings with internal and external auditors as well as with officers.

Action Plan Progress Update

The table below provides a progress update against the actions identified from last year's effectiveness review.

Areas where the audit committee can have impact by supporting improvement	Proposed Actions 2023/24	Progress Update 2024/25
Promoting the principles of good governance and their application to decision making.	Recruitment of Independent Member to enhance the Committee and ensure compliance with best practice as recommended by CIPFA	Completed New Independent Member joined the Committee in July 2024.
Promoting the principles of good governance and their application to decision making.	Focused, brief training 'bites' on relevant items to be scheduled in advance of the meetings as relevant to support members in their review and scrutiny. Including Final Accounts, Risk Appetite, Internal Audit/Corporate Assurance.	Completed Regular bitesize training sessions have been delivered after each Committee meeting which covered topics relevant to agenda items for the next scheduled meeting to ensure current training and knowledge delivered timely to aid scrutiny.
Contribution to the development of an effective control environment.	Provision of more information / training for members on the process for investment decisions relating to investments that are still managed locally.	Completed Training session delivered on 28 November during members CPD away day.

Areas where the audit committee can have impact by supporting improvement	Proposed Actions 2023/24	Progress Update 2024/25
<p>Supporting effective external audit, with a focus on high quality and timely audit work</p>	<p>Committee to continue building effective working relationships with external auditor in their first year – supported by attendance of external auditor at pre-meetings with the Chair and Independent Member. Effective debate and reporting at the Committee meetings, and any separate briefings as relevant.</p>	<p>Completed The first year of KPMG as new external auditors was completed successfully, with regular attendance of the audit director and his team at Committee meetings and at pre-meetings with the Chair and Independent Member, with internal auditors also present. The relationship is now established and will continue to develop over the coming years.</p>
<p>Supporting the development of robust arrangements for ensuring value for money.</p>	<p>Committee members identified that continuity of membership on the Authority is a strength but achieving this is subject to external factors. Both electoral outcomes also Council group decisions. The Committee agreed an action for themselves as members to try and encourage greater continuity of membership through raising this issue with their own group leaders.</p>	<p>Ongoing This issue is an ongoing challenge. For 2024/25, there has been good continuity of membership on the Committee.</p>

Effectiveness Review – Areas for Improvement & Action Plan for 2024/25

Following the review undertaken, some further actions were identified to be undertaken during the forthcoming year to address the areas for further improvement. These are set out in the following table.

Principle and Area for Improvement	Actions Required	Responsible Owner	Date for Completion
Promoting the principles of good governance and their application to decision making.	Provide summary of key points after any training sessions delivered as a reference for attendees as well as those unable to attend. Similarly, provide short briefing note of expected outcomes and relevance for members when promoting planned training sessions.	Head of Governance and Corporate Services	October 2025
Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively.	Members wish to receive more information relating to the detail and context of internal audit reports – including the implications and the actions identified.	Assistant Director – Resources and Team Leader – Governance	Introduce from July 2025 meeting
Supporting the development of robust arrangements for ensuring value for money.	Provide members with more detail on how value for money is assessed and further detail on peers used for benchmarking. Members to receive enhanced detail on Border to Coast partnership roles and responsibilities.	Assistant Director – Resources	October 2025

Conclusion

Audit and Governance Committee members evaluated their impact and effectiveness over the year just ended. The review identified actions for continuous improvement; progress on these will be monitored in the forthcoming year.

An effectiveness review will be completed annually.