

DECISION MAKER Audit and Risk Management Panel	DATE: 19 June 2024	ITEM NO. 6
REPORT TITLE: Audit and Risk Management Panel Self-Assessment & Evaluation	WARDS All	
CHIEF OFFICER Director of Finance	CABINET MEMBER Finance, Resources and Social Value	
DECISION CLASSIFICATION Non-Key Subject to call in Non exempt	IS THE FINAL DECISION ON THE RECOMMENDATIONS IN THIS REPORT TO BE MADE AT THIS MEETING? Yes	

I. Decision Required

This report makes the following recommendations to the Audit & Risk Management Panel;

- I.1 To note the updated Chartered Institute for Public Finance and Accountancy (CIPFA) *Position Statement: Audit Committees in Local Authorities and Police 2022*, which sets out CIPFA's view on the audit committee practice and principles that local government bodies in the UK should adopt (**Appendix A**).
- I.2 To note the updated Chartered Institute for Public Finance and Accountancy (CIPFA) *Audit Committees: Practical Guidance for Local Authorities and Police*, which provides guidance on the purpose of the audit committee and its functions, and the responsibilities of committee members (**Appendix B**).
- I.3 To consider the CIPFA Position Statement and guidance and carry out the recommended self-assessment and evaluation using the attached *RBG ARM Panel Self-Assessment & Evaluation tool* (**Appendix C**).
- I.4 To note that the result of the Panel's self-assessment and evaluation together with any identified improvement actions will be reported in September 2024.

2. Links to Our Greenwich missions

- 2.1 This report relates to the Council's agreed missions as follows:

- Our Council is an adaptive organisation, enabling it to navigate the increasing number of challenges it faces while remaining financially sustainable
 - Our Council works in the most efficient and effective ways possible
- 2.2 The Audit & Risk Management Panel provides an independent assurance of the adequacy of the Council's risk management framework and the associated control environment, including the effectiveness of the Internal Audit and Corporate Anti- Fraud functions, alongside other key areas.
- 2.3 Reviewing and complying with the updated CIPFA guidance supports the Council's missions to work in the most efficient and effective ways possible whilst navigating the increasing number of challenges it faces.

3. Purpose of the Report and Executive Summary

- 3.1 CIPFA expects that all local government bodies should make their best efforts to adopt the Principles set out in the CIPFA Position Statement and aim for effective audit committee arrangements. This will ensure the statutory responsibilities for governance and internal control arrangements, financial management, financial reporting and internal audit are met.
- 3.2 The CIPFA *Position Statement: Audit Committees in Local Authorities and Police 2022*, presented in this report, replaces the 2018 edition and is supported by the Department for Levelling Up, Housing and Communities and the Home Office.
- 3.3 In addition, further CIPFA guidance, *Audit Committees: Practical Guidance for Local Authorities and Police 2022 edition*, presented in this report, not only builds on previous editions but is aimed directly at audit committee members in local authorities.
- 3.4 The CIPFA guidance recommends a regular self-assessment of the audit committee's performance against the good practice principles and an evaluation of the impact and effectiveness of the committee.
- 3.5 This report provides a Self-Assessment and Evaluation tool for the Audit and Risk Management Panel.

4. Introduction and Background

- 4.1 The Audit & Risk Management Panel provides an independent assurance of the adequacy of the Council's risk management framework and the associated control environment, including the effectiveness of the Internal Audit and Corporate Anti-Fraud functions.
- 4.2 To ensure the statutory responsibilities for governance and internal control arrangements, financial management, financial reporting and internal audit are met by local authorities, CIPFA issued an updated Position Statement and Guidance covering various areas for audit committees:
- Purpose
 - Core and possible wider function
 - Independence and accountability
 - Membership and effectiveness
- 4.3 The CIPFA guidance recommends a regular self-assessment of the audit committee's performance against the good practice principles and an evaluation of its impact and effectiveness.
- 4.4 To ensure compliance, this report provides a Self-Assessment and Evaluation tool, which will enable the Audit & Risk Management Panel to carry out the recommended assessment and evaluation.
- 4.5 The result of the assessment and evaluation, together with any identified improvement actions will be reported to the Panel in September 2024.

5. Available Options

Option One

- 5.1 Consider and carry out the recommended self-assessment and evaluation.
- The self-assessment and evaluation aim to enable the Council to ensure that its statutory responsibilities for governance and internal control arrangements, financial management, financial reporting and internal audit are met.

Option Two

- 5.2 Do not carry out the recommended self-assessment and evaluation.

- The Council will not be compliant and may be unable to demonstrate that its statutory responsibilities are met.

6. Preferred Option

6.1 Option one / Para 5.1 is the preferred option as it will ensure compliance with the CIPFA guidance, which will enable the Council to meet its statutory responsibilities for governance and internal control arrangements, financial management, financial reporting and internal audit.

7. Reasons for Recommendations

7.1 Carrying out the self-assessment and evaluation will ensure compliance with the CIPFA guidance, which will enable the Council to meet its statutory responsibilities for governance and internal control arrangements, financial management, financial reporting and internal audit.

8. Consultation Results

8.1 No consultation is required, and none has been undertaken

9. Cross Cutting Issues and Implications

Issue	Implications	Sign-off
<p>Legal including Human Rights Act</p>	<p>Part 3 of the Council’s Constitution, Responsibility for Functions, provides that the Audit and Risk Management Panel is responsible for the provision of independent assurance of the adequacy of the risk management framework and the associated control environment, including the effectiveness of the Internal Audit and Corporate Anti-fraud functions.</p> <p>In particular:</p> <ul style="list-style-type: none"> - To receive reports covering the implementation of the Council’s risk management policy and strategy to determine whether strategic risks are being actively managed 	<p>Davidaire Horsford, Interim Head of Legal Services 28th May 2024</p>

Issue	Implications	Sign-off
	<ul style="list-style-type: none"> - To report Council on the risk management framework <p>The decisions required in this report raise no legal issues.</p>	
<p>Finance and other resources</p>	<ul style="list-style-type: none"> • This report makes the following recommendations to the Audit & Risk Management Panel; • To note the updated Chartered Institute for Public Finance and Accountancy (CIPFA) <i>Position Statement: Audit Committees in Local Authorities and Police 2022</i>, which sets out CIPFA’s view on the audit committee practice and principles that local government bodies in the UK should adopt (Appendix A). • To note the updated Chartered Institute for Public Finance and Accountancy (CIPFA) <i>Audit Committees: Practical Guidance for Local Authorities and Police</i>, which provides guidance on the purpose of the audit committee and its functions, and the responsibilities of committee members (Appendix B). • To consider the CIPFA Position Statement and guidance and carry out the recommended self-assessment and evaluation using the attached <i>RBG ARM Panel Self-Assessment & Evaluation tool</i> (Appendix C). 	<p>Joanne Stark Head of Accounting & Business Change 30th May 2024</p>

Issue	Implications	Sign-off
	<ul style="list-style-type: none"> To note that the result of the Panel's self-assessment and evaluation together with any identified improvement actions will be reported in September 2024. <p>There are no direct financial implications arising from this report.</p>	
Equalities	<p>The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no apparent equality impact on end users. Further, given the nature of the report it has a remote or low relevance to the Councils Equity and Equality Charter and the Council's Equality Objectives 2020-2024.</p>	<p>Vivian Uzoechi Head of Financial Governance, Insurance & Risk 21st May 2024</p>
Climate change	<p>The decision recommended through this paper has a remote or low relevance to the substance of the Greenwich Carbon Neutral Plan, as agreed by Cabinet on 18th November 2020.</p>	<p>Vivian Uzoechi Head of Financial Governance, Insurance & Risk 21st May 2024</p>
Risk Management	<p>If the performance and effectiveness of the Audit & Risk Management Panel is not assessed and evaluated in line with the CIPFA guidance, then the Council will not be compliant and may be unable to demonstrate that its statutory responsibilities are met.</p> <p>Improvement actions identified as a result of the assessment and evaluation, and progress made to completion, will be reported to the Panel.</p>	<p>Vivian Uzoechi Head of Financial Governance, Insurance & Risk 21st May 2024</p>

11. Report Appendices

- Appendix A : *Position Statement: Audit Committees in Local Authorities and Police 2022*
- Appendix B : *Audit Committees: Practical Guidance for Local Authorities and Police*
- Appendix C : *Royal Borough of Greenwich – Audit & Risk Management Panel Self-Assessment & Evaluation*

12. Background Papers

None

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