

MIDDLESBROUGH COUNCIL	
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Report of:	Director of Finance and Transformation (s151 Officer)
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Submitted to:	Audit Committee
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Date:	13 March 2025
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Title:	Audit Committee Review of Effectiveness
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Report for:	Decision
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Status:	Public
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Council Plan priority:	Delivering Best Value
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Executive summary

This report provides the committee with:

- Information relating to the benefits of conducting a review of the Committee's effectiveness, and the options for undertaking such a review

1. Purpose

- 1.1 To provide Members with information relating to the benefits of conducting a review of the Committee's effectiveness, and the options for undertaking such a review.

2. Recommendations

- 2.1 That the Audit Committee

- Approves a review of its own effectiveness and,
- provides direction on the proposed method and timing of the review.

3. Background and relevant information

- 3.1 The latest guidance on audit committees in local government, published by the Chartered Institute of Public Finance and Accountancy (CIPFA) in October 2022, recommends that committees should complete a periodic self-assessment of their effectiveness. Alternatively, an independent review can be undertaken. The guidance includes a checklist to support the self-assessment, enabling the Committee to highlight the areas where it has made an impact on the Council's governance, risk management, control and audit arrangements. This Committee has not undertaken any assessment against this guidance.
- 3.2 It is recommended that the Committee completes an assessment against the guidance, either through a facilitated self-assessment that would be led by Veritau, or this an independent commissioned review.
- 3.3 The outcomes of this exercise will help to support the preparation of the Audit Committee's future work programme, training plans and the annual report. The exercise may also identify areas requiring changes or improvements in the Committee's method of working or in how it communicates its activities to the Council's leadership and wider public.
- 3.4 Members' support is sought for completion of a review of the Committee's effectiveness, and direction on the form and timing of the review. Options for the method for undertaking the review are summarised as follows:

Self-Assessment (whole committee)

Benefits

All Members will have the opportunity to contribute to the review

Members have a good understanding of the Council, its

Disadvantages

May lack external perspective / relevant knowledge of audit committee best practice in local government

priorities and existing governance arrangements

Self-assessment (Member working group)

Benefits

More focused and potentially less time consuming

Members have a good understanding of the Council, its priorities and existing governance arrangements

Disadvantages

May lack external perspective / relevant knowledge of audit committee best practice in local government

External review

Benefits

Will be seen as independent and objective

Offers an opportunity to learn from best practice in other local authorities and/or the wider public sector

Disadvantages

There will be a cost, which could be significant (and therefore budget implications)

Only limited options may be available to access relevant expertise

May not fully understand or reflect 'local' priorities or ways of working

4. Other potential alternative(s) and why these have not been recommended

4.1 There are no other options available.

5. Impact(s) of the recommended decision(s)

Topic	Impact
Financial (including procurement and Social Value)	An internally facilitated self-assessment can be delivered within the current contract budget management arrangements for the Internal Audit service provided by Veritau. Should the Committee decide to seek an

Topic	Impact
	independent review, the market would need to be tested to provide costs for this option. Should the Committee choose this option, a further report would be brought to the Committee following market testing for the Committee to confirm its preferred option.
Legal	Completion of an assessment against the CIPFA guidance will provide the Committee with assurance that they are meeting their legal obligations and / or identify where action is needed to improve compliance.
Risk	Completion of an assessment against the CIPFA guidance will provide the committee with improved assurance that it understands the risks and issues facing audit committees and support to manage those risks effectively.
Human Rights, Public Sector Equality Duty and Community Cohesion	There are no specific impacts or implications directly arising from this report, however an effective Audit Committee function will support the Council to ensure its practice, policies and decision making are legally compliant, thus ensuring positive impacts on these areas.
Climate Change / Environmental	
Children and Young People Cared for by the Authority and Care Leavers	
Data Protection	

Background papers

Body	Report title	Date
n/a	n/a	n/a

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