

Committee:	Date:
Nominations and Effectiveness Sub Committee of the Audit and Risk Management Committee	13 March 2023
Subject: Review of Committee Effectiveness and Skills	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	8
Does this proposal require extra revenue and/or capital spending?	No
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain's Department?	n/a
Report of: Town Clerk	For Decision
Report author: Ben Dunleavy	

Summary

The Nominations and Effectiveness Committee has, within its remit, authority to consider the skills of the Audit and Risk Management Committee. The last such review was conducted in 2018.

Considering the time that has passed since the last review, it would both timely and prudent to run a new exercise to assess the effectiveness of the Committee and the balance of skills and expertise. This report outlines the nature of the previous review and asks Members to instigate a formal review of skills and effectiveness.

Recommendation(s)

Members are asked to agree to run a new skills and effectiveness survey of the Audit and Risk Management Committee, and to consider what elements this should include.

Main Report

1. The Nominations and Effectiveness Sub Committee ('the Sub Committee') is responsible for undertaking skills audits and effectiveness reviews of the Audit and Risk Management Sub Committee ('the Committee'). Historically, this was to inform the appointment of External Members to the Committee. The Sub Committee's terms of reference were revised in January 2023 so that, alongside undertaking these reviews to inform the appointment of Members, the skills of the Committee could be considered in order to assess the need for relevant training and development for Members.
2. The last time such a review was undertaken was in 2018, with the skills of new Members added as and when they have joined the Committee over the following three years. A full review of the Committee has, however, not been undertaken since 2018.
3. The last Review asked Members to score themselves from 1 – 4 (1 being very strong, 4 being limited) on a series of knowledge areas, split into 'core' and 'specialist' areas of knowledge. The core areas of knowledge, taken from the CIPFA Guidance for Audit Committees, were:
 - Organisational knowledge
 - Audit committee role and functions
 - Governance
 - Internal Audit
 - Financial Management and Accounting
 - External Audit
 - Risk Management
 - Counter fraud
 - Values of good governance
 - Treasury management
4. The last skills audit form is attached as Appendix 1 of the report, and includes further information on the core areas of knowledge, as well as the list of specialist knowledge.
5. The CIPFA Guidance also provides a self-assessment form for good practice, and further advice on how to evaluate the impact and effectiveness of an Audit Committee. This guidance is included at Appendices 2 and 3.
6. Considering the length of time since the last review, it would be an appropriate time to hold a new review of Members skills, and potentially use the CIPFA Guidance in Appendices 2 and 3 to combine this with a review of the Committee's effectiveness.

Corporate & Strategic Implications

Strategic implications

Reviewing these areas will enable the Committee to consider how it can operate more effectively, thus supporting the Committee in achieving item 8 of the Corporate plan ('accessing the skills and talent we need').

Financial implications

There are no financial implications to the recommendation to consider the Committee's effectiveness.

Resource implications

There are no resource implications to the recommendation.

Legal implications

There are no legal implications to the recommendation of considering the Committee's skills and effectiveness.

Risk implications

There are no risk implications to the recommended consideration of a skills review.

Equalities implications

There are no equalities implications to the recommendation.

Climate implications

There are no climate implications to the recommendation.

Security implications

There are no security implications to the recommendation.

Appendices

Appendix 1 – Audit and Risk Management Committee Skills Audit 2018

Appendix 2 – CIPFA Guidance for Audit Committees – Self Assessment of Good Practice

Appendix 3 – Evaluating the impact and effectiveness of the Audit Committee

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