Appendix 1

Audit Committee Knowledge and Skills Self-Assessment

Purpose of this Assessment

This assessment is intended to help identify the collective knowledge, skills and development needs of the Audit Committee. It is not a test and there are no right or wrong answers. Members are asked to assess their current level of confidence in relation to each topic based on their ability to understand reports, participate in discussions, challenge officers and auditors appropriately, and contribute to the work of the Committee.

The results will be used to identify priority training and development opportunities for the Committee and to support the production of an annual member training programme.

1. Governance

Why this is important

The Audit Committee plays a key role in promoting good governance, accountability and transparency across the Council. Members should understand how governance arrangements operate, how decisions are made and reviewed, and how the Committee contributes to ensuring the Council is well governed.

Ref	Knowledge Area / Skill	Confident	Comfortable	Not Confident	Training Required?
1.1	Local Government Governance Framework Understanding the principles of good governance and how they are applied within local government organisations.				
1.2	Role of the Audit Committee Understanding the purpose, responsibilities and authority of the Audit Committee and how it supports effective governance.				
1.3	Audit Committee Terms of Reference Understanding the				

	Committee's delegated responsibilities, powers and reporting arrangements.				
1.4	Audit Committee Function Understanding the different roles of Overview and Scrutiny and Audit Committee.				
1.5	Annual Governance Statement Understanding the purpose of the AGS, how it is developed and how it reflects governance challenges and improvements.				
1.6	Constitution and Decision-Making Understanding how decisions are made within the Council and the respective roles of Council, Executive, Committees and officers.				
1.7	Ethical Governance Understanding arrangements that promote ethical behaviour, integrity, whistleblowing, accountability and adherence to the Seven Principles of Public Life.				
1.8	Local Code of Governance Understanding how the Council's Local Code of Governance applies the principles of good governance and how assurance is obtained.				

1.9	Any other areas within this subject that you feel would help you perform your role as an Audit Committee member more effectively?	

2. Internal Audit

Why this is important

Internal Audit provides independent assurance regarding the effectiveness of governance, risk management and internal controls. Audit Committee members must be able to understand audit findings, monitor management actions and assess whether sufficient assurance is being provided.

Ref	Knowledge Area / Skill	Confident	Comfortable	Not Confident	Training Required?
2.1	Purpose of Internal Audit Understanding how Internal Audit supports governance and organisational improvement.				
2.2	Audit Planning Understanding how audit work is selected and prioritised based on risk.				
2.3	Assurance Opinions Understanding audit assurance ratings and what they indicate about control effectiveness.				
2.4	Audit Recommendations Understanding the purpose and significance of audit recommendations and management responses.				
2.5	Follow-up Processes Understanding how the implementation of recommendations is monitored and reported.				

2.6	Global Internal Audit Standards Understanding the standards which govern the Internal Audit function and ensure quality and independence.				
2.7	Role of the Head of Internal Audit Understanding the responsibilities, independence and professional obligations of the role.				
2.8	Internal Audit Charter Understanding the Internal Audit Charter, how Internal Audit maintains independence and objectivity, and the Audit Committee's role in overseeing these arrangements.				
2.9	Quality Assurance Understanding how Internal Audit quality is assessed, including external quality assessments and ongoing compliance with professional standards.				
2.10	Any other areas within this subject that you feel would help you perform your role as an Audit Committee member more effectively?				

3. External Audit

Why this is important

External Audit provides independent assurance over the Council's financial statements and undertake procedures to satisfy themselves local authorities have made proper arrangements for securing economy, efficiency and effectiveness in their use of resource. Members should be able to understand audit findings and challenge areas of concern appropriately.

Ref	Knowledge Area / Skill	Confident	Comfortable	Not Confident	Training Required?
3.1	Statutory Audit Process Understanding the purpose, scope and timetable of the annual external audit process.				
3.2	Audit Opinions Understanding the different audit opinions and their significance.				
3.3	Reporting to Audit Committee. Understanding ISA 260 reports issued by external auditors to those charged with governance.				
3.4	Value for Money Arrangements Understanding how auditors assess and report on economy, efficiency and effectiveness.				
3.5	Auditor Statutory Powers Understanding the powers of the auditor to consider questions or objections to the accounts, issue a public interest report, or make statutory recommendations				
3.6	Auditor Responsibilities Understanding the responsibilities and limitations of the external auditor's role.				
3.7	Audit Backlogs Understanding backstop arrangements and the impact of delayed audits, and				

	outstanding audit opinions.				
3.8	Independence Understanding auditor independence requirements, threats to independence, audit quality arrangements and the Audit Committee's role in safeguarding them.				
3.9	Planning Understanding the external audit strategy, key risks identified by auditors and how audit effort is focused on those risks.				
3.10	Appointment Understanding how external auditors are appointed and the role of the Audit Committee in supporting effective audit arrangements.				
3.11	Any other areas within this subject that you feel would help you perform your role as an Audit Committee member more effectively?				

4. Finance

Why this is important

Financial resilience is one of the most significant risks facing local government. Audit Committee members should be able to understand the Council's financial position, identify emerging concerns and obtain assurance regarding the adequacy of financial management arrangements.

Ref	Knowledge Area / Skill	Confident	Comfortable	Not Confident	Training Required?
4.1	Statement of Accounts Understanding the				

	purpose, structure and key components of the Council's annual accounts.				
4.2	Financial Assurance Reporting Understanding financial assurance reports and identifying significant governance, financial resilience or control risks.				
4.3	Reserves Understanding the purpose of reserves, their adequacy and their role in supporting financial resilience.				
4.4	Financial Governance Understanding the governance arrangements supporting financial management and financial resilience.				
4.5	Financial Improvement Programmes Understanding how the Committee obtains assurance over the governance and delivery of significant financial improvement activity.				
4.6	Medium Term Financial Strategy Understanding financial planning and key assumptions affecting the Council's future financial position.				
4.7	Financial Resilience Understanding indicators of financial				

	sustainability and early warning signs of financial stress.				
4.8	Financial Management Code Understanding the purpose of CIPFA's Financial Management Code and how compliance supports governance, resilience and assurance.				
4.9	Role of the Chief Financial Officer Understanding the statutory responsibilities of the Section 151 Officer and how the Audit Committee obtains assurance regarding compliance with those duties.				
4.10	Best Value Understanding governance arrangements supporting economy, efficiency and effectiveness and interpreting value-for-money conclusions from auditors and other assurance providers.				
4.11	Any other areas within this subject that you feel would help you perform your role as an Audit Committee member more effectively?				

5. Risk Management

Why this is important

The Audit Committee is responsible for overseeing the effectiveness of the Council's risk management framework. Members should understand how risks are identified, assessed, managed and reported.

Ref	Knowledge Area / Skill	Confident	Comfortable	Not Confident	Training Required?

5.1	Strategic Risk Management Understanding risks that may affect achievement of the Council's strategic objectives.				
5.2	Operational Risk Management Understanding risks affecting service delivery and day-to-day operations.				
5.3	Risk Appetite Understanding the level of risk the Council is prepared to accept in pursuit of its objectives.				
5.4	Risk Scoring Methodology Understanding how risks are assessed, scored and prioritised.				
5.5	Risk Reporting Understanding how key risks are reported and escalated.				
5.6	Assurance Mapping Understanding how different sources of assurance combine to provide confidence over risk management and control arrangements.				
5.7	Risk Governance Understanding the respective roles of members, officers and the Audit Committee in overseeing risk management arrangements.				
5.8	Risk Maturity				

	Understanding how the maturity and effectiveness of risk management arrangements can be assessed and improved.				
5.9	Any other areas within this subject that you feel would help you perform your role as an Audit Committee member more effectively?				

6. Counter Fraud and Ethics

Why this is important

The Committee has an important role in overseeing arrangements to prevent fraud, corruption and unethical behaviour and to ensure appropriate action is taken where concerns arise.

Ref	Knowledge Area / Skill	Confident	Comfortable	Not Confident	Training Required?
6.1	Fraud Risk Understanding common fraud risks facing local authorities and how these are mitigated.				
6.2	Bribery and Corruption Understanding key corruption risks and associated controls.				
6.3	Whistleblowing Understanding arrangements that allow concerns to be raised safely and independently.				
6.4	Ethical Framework Understanding how ethical governance arrangements and organisational culture				

	support good governance.				
6.5	Seven Principles of Public Life Understanding the Nolan Principles and their application to public service.				
6.6	Counter Fraud Strategy Understanding the Council's Counter Fraud and Corruption Strategy and how the effectiveness of arrangements is assessed.				
6.7	Public Interest Disclosure Understanding whistleblowing legislation and the protections available to individuals raising concerns.				
6.8	Any other areas within this subject that you feel would help you perform your role as an Audit Committee member more effectively?				

7. Treasury Management

Why this is important

Treasury Management involves significant financial resources and can expose the Council to financial risk. As the committee charged with overseeing treasury management arrangements, Audit Committee members should understand how borrowing, investments and treasury risks are managed.

Ref	Knowledge Area / Skill	Confident	Comfortable	Not Confident	Training Required?
7.1	Treasury Strategy Understanding the				

	Council's Treasury Management Strategy and objectives.				
7.2	Investments Understanding how surplus funds are invested and monitored.				
7.3	Borrowing Understanding the Council's borrowing arrangements and associated risks.				
7.4	Prudential Code Understanding the framework governing local authority borrowing and capital financing.				
7.5	Treasury Risk Understanding risks arising from interest rates, liquidity and market conditions.				
7.6	Treasury Monitoring Reports Understanding performance and compliance reports presented to members.				
7.7	Any other areas within this subject that you feel would help you perform your role as an Audit Committee member more effectively?				

8. Emerging Risks

Why this is important

Local government is experiencing significant change driven by financial pressures, organisational reform, technological developments and increasing public expectations. Audit

Committee members should understand emerging risks that may affect governance, financial resilience and service delivery and be able to seek assurance that these risks are being managed appropriately.

Ref	Knowledge Area / Skill	Confident	Comfortable	Not Confident	Training Required?
8.1	Cyber Security Understanding cyber threats, vulnerabilities and governance arrangements.				
8.2	Local Government Reorganisation Understanding governance, financial, workforce and service delivery risks, and how the Audit Committee can obtain assurance over transition arrangements.				
8.3	Exceptional Financial Support Understanding the indicators of financial resilience and the governance arrangements that provide long-term financial sustainability and recovery planning.				
8.4	Artificial Intelligence Understanding the use of artificial intelligence, automation and emerging digital technologies.				
8.5	Information Governance Understanding how information assets are managed and protected.				
8.6	Data Protection Understanding				

	responsibilities arising from data protection legislation.				
8.7	Business Continuity Understanding arrangements that support service resilience during disruption.				
8.8	Programme and Project Assurance Understanding how significant programmes and projects are governed, monitored and assured, and how Audit Committee members can obtain assurance that risks, costs, benefits and delivery objectives are being effectively managed.				
8.9	Procurement and Contract Management Understanding the governance arrangements relating to procurement, contract management, supplier performance, regulatory compliance and value for money throughout the contract lifecycle.				
8.10	Partnership and Shared-Service Understanding the risks, responsibilities and accountability arrangements associated with partnerships, shared services, joint ventures and collaborative working arrangements.				

8.11	Commercial Activity and Council-Owned Companies Understanding governance, risk and assurance arrangements relating to council-owned companies, trading companies, investments and commercial ventures.				
8.12	Any other areas within this subject that you feel would help you perform your role as an Audit Committee member more effectively?				

9. Audit Committee Skills

Why this is important

Effective Audit Committee members require more than technical knowledge. They must be able to analyse information, challenge constructively and hold officers and auditors to account in a professional and evidence-based manner.

Ref	Knowledge Area / Skill	Confident	Comfortable	Not Confident	Training Required?
9.1	Reading Audit Reports Ability to understand audit findings, conclusions and recommendations.				
9.2	Challenging Officers Constructively Ability to ask probing questions while maintaining positive relationships.				
9.3	Questioning Techniques				

	Ability to explore issues effectively and obtain meaningful assurance.				
9.4	Analysing Risk Information Ability to identify key risks and assess whether management responses are appropriate.				
9.5	Identifying Weak Assurance Ability to recognise gaps in assurance or areas requiring further scrutiny.				
9.6	Holding Officers to Account Ability to seek progress updates and challenge delays in implementation.				
9.7	Distinguishing Strategic from Operational Issues Ability to focus on governance and strategic matters rather than operational detail.				
9.8	Recognising Red Flags Ability to identify indicators that may require further investigation or escalation.				

9.9	Strategic Thinking and Materiality Ability to focus on matters of strategic significance and material importance rather than operational detail.				
9.10	Objectivity and Evidence-Based Judgement Ability to evaluate information impartially and reach conclusions based on evidence rather than assumptions or personal views.				
9.11	Communicating Complex Issues Clearly Ability to explain governance, risk and assurance matters clearly and in plain English.				
9.12	Any other areas within this subject that you feel would help you perform your role as an Audit Committee member more effectively?				