

	Audit committee purpose and governance	OBSERVATIONS/ACTIONS/COMMENTS	Major Imp	Sign Imp	Mod Imp	Minor	NFA
1	Does the authority have a dedicated audit committee that is not combined with other functions?						6
2	Does the audit committee report directly to the Transport for the North Board?	<p>Member comment: <i>The reporting could be more obvious and frequent, as the current arrangements rely largely on communication with the Finance Director rather than with other members of the Board as a whole.</i></p> <p>Officer comment: <i>As a minimum the Chair of the Committee attends and reports to the board on an annual basis. This consists of how the A&G committee has managed its delegation from the Board. Outside this, the committee or members have the capacity to attend / report to the board as they see fit / require. The need has not manifested itself to date. We are proposing the Chair meets the CEO and Chair of TfN Board on a regular basis. This meeting and any outcomes could be referenced at board.</i></p> <p>Proposed action: <i>Inform members about current arrangements and include in induction pack. Consider if any improvements can be made.</i></p>			1		5
3	Has the committee maintained its advisory role by not taking on any decision-making powers?						6
4	Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA 2022 position statement?						6

5	Do all those charged with governance and in leadership roles have a good understanding of the role and purpose of the committee?	<p>Member comment: <i>This is not something which could be answered at the moment by reference to information presented to members / Some training for members might be worth considering / Elected member attendance has historically been a significant issue with members invariably not quorate. This needs some attention with leadership from respective member bodies.</i></p> <p>Proposed action: <i>(1) Induction Pack for members (1) Consider training for members on role and purpose of committee (2) TfN to continue to engage with constituent authorities regarding elected member attendance.</i></p>			2	1	3
6	Does the audit committee escalate issues and concerns promptly to those in governance and leadership roles?	<p>Member comment: <i>See comment at question 2 above / Due to attendance as above, most issues can be raised immediately / Wide team attendance at committee means issues are almost raised directly / I believe so but would need to see examples of when this has occurred.</i></p> <p>Officer comment: <i>Further detail in AGS on partnership arrangements have been included. Feedback on the AGS is an example and challenge / feedback at meetings is a broader and far more reaching example.</i></p> <p>Proposed action: <i>See Action point 2 at number 5 above.</i></p>			1	1	4
7	Does the governing body (Transport for the North Board) hold the audit committee to account for its performance at least annually?	<p>Member comment: <i>Yes / Chair attends full Board annually / Yes, committee effectiveness is now assessed.</i></p>					6
8	Does the committee publish an annual report in accordance with the 2022 guidance, including: <ul style="list-style-type: none"> • compliance with the CIPFA Position Statement 2022 • results of the annual evaluation, development work undertaken and planned improvements • how it has fulfilled its terms of reference and the key issues escalated in the year? 	<p>Member comment: <i>It might be unclear exactly how the first two of these three bullets is addressed within current reporting / Yes / Membership doesn't allow me to comment on previous years, but this process is to inform the annual report 2023.</i></p> <p>Proposed action: <i>Include terms of reference for audit committee in the new Induction Pack.</i></p> <p>Officer comment: <i>The Annual Report is our statutory accounts that includes a narrative statement, financial statements, AGS and audit report. The committee see the full report at various times during the year and the AGS as it develops. The role of the committee as a body (and as members) in relation to the Annual Report is set out in the Terms of Reference; namely to recommend the accounts are submitted to the Board for approval.</i></p>			1	1	4

FUNCTIONS							
9	<p>Do the committee’s terms of reference explicitly address all the core areas identified in CIPFA’s Position Statement as follows?</p> <p>Governance arrangements Risk management arrangements Internal control arrangements, including:</p> <ul style="list-style-type: none"> • financial management • value for money • ethics and standards • counter fraud and corruption <p>Annual governance statement Financial reporting Assurance framework Internal audit / External audit</p>	<p>Member comment: Yes, as appropriate / Possible more attention could be focused on ethics and standards.</p> <p>Proposed action: Information included in Induction Pack.</p>				1	4
10	<p>Over the last year, has adequate consideration been given to all core areas?</p>	<p>Member comment: Haven't been a member for the whole year but each meeting has been in line with core areas / yes as appropriate / Personally would like to see more on Counter Fraud measures / Possible more attention on Counter Fraud measures.</p> <p>Proposed action: Review of the effectiveness of TfN's Anti-Fraud Strategy on an annual basis. See work programme. Implement behavioural awareness training within organisation for managers as part of counter fraud measures.</p>				2	3

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11	Over the last year, has the committee only considered agenda items that align with its core functions or selected wider functions, as set out in the 2022 guidance?	<p>Member comment: To my knowledge we have only concerned ourselves with core functions.</p> <p>Officer comment: The wider functions are contained in the booklet "The Audit Committee Member in a Local Authority". This booklet is in the Induction Pack, see pages 32-32. Selected wider functions have been included as agenda items in the form of the variety of deep dives from all service areas. Furthermore, the AGS includes a Governance Improvement Plan and members will see updates on the progress of this as part of the AGS process.</p>				1	4
12	Has the committee met privately with the external auditors and head of internal audit in the last year?	<p>Member Comment: As a direction question, the answer would be "no". The question on whether such a meeting would be considered necessary might be answered rather differently / Not aware / I have not but other committee members may have done so / I'm not sure? Not while I've on the AG.</p> <p>Officer Comment: This matter has been discussed with Chair of Committee and due to attendance of EA and IA at every meeting and their independent roles, no further action on this matter is required.</p>	1			2	2
13	Has the committee been established in accordance with 2022 guidance :-						
a)	• Separation from executive						5
b)	• A size that is not unwieldy and avoids use of substitutes					1	4
c)	• Inclusion of lay/co-opted independent members in accordance with CIPFA recs	<p>Member comment: Issue re-elected members.</p> <p>Officer comment: See action point at 5 above.</p>			1		4
14	Have all committee members been appointed or selected to ensure membership is knowledgeable and skilled?	<p>Member comment: The skills and knowledge of all members is not necessarily apparent or obviously considered as part of confirming (elected) membership / Not aware / There are some new members and they may benefit from training / Any skills gaps should be identified and training provided / It's unclear on what basis elected members have been nominated to the committee.</p> <p>Proposed action: All existing and new members to be asked to fill out skills matrix. Officers will then identify if further training is necessary.</p>		1		3	1

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15	Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out in last 2 years?	<p>Member comment: <i>It is not clear that any such evaluation has been undertaken / Not aware / I do not remember this being completed. However, I am a relatively new member so this may have been completed prior to me joining the committee / not to my knowledge.</i></p> <p>Officer comment: <i>The skills, knowledge and training of the Chair and other independent members were assessed as part of the recruitment process.</i></p> <p>Proposed action: <i>Committee member knowledge and skills will be evaluated in 2024 to identify training needs and add these to the work programme.</i></p>	1		1	1	2
16	Have regular training and support arrangements been put in place covering areas in the 2022 guidance?	<p>Member comment: <i>It is not clear that any such arrangements have been put in place, aside of those offered to new members / not aware / I do not believe I have been offered any formal training. However, my understanding is that support is available should I require it / Not to my knowledge.</i></p> <p>Proposed action: <i>Training will be factored into the Work Programme. Members to provide training requests for consideration.</i></p>		1	1	1	2
17	Across the committee membership, is there a satisfactory level of knowledge , as per 2022 guidance?	<p>Member comment: <i>It is not clear that any such evaluation has been undertaken / Committee have a broad skill set from the meetings I have attended / Some members are more knowledgeable than others / I m not familiar with the guidance so difficult to judge objectively without a skills matrix of current membership.</i></p> <p>Proposed action: <i>See Action at question 15 above.</i></p> <p>Officer comment: <i>Independent members have a broad range of skills and these were identified as part of the recruitment process.</i></p>		1		2	2
18	Is adequate secretariat and administrative support provided to committee?	<p>Member comment: <i>Adequate and responsive.</i></p>					5

19	Does the committee have good working relations with key people and organisations, internal / external audit, CFO?	Member comment: As earlier mentioned, committee is well attended by all of the above / As a new member I have not evidence these discussions. However, I am confident they do occur.				1	4
EFFECTIVENESS							
20	Has the committee obtained positive feedback on its performance from those interacting with it or relying on its work?	Member comment: Positive feedback has been received on an ad hoc, informal basis during meetings. It is not clear if any feedback has been deliberately sought / I am not aware of any / Again, I'm not sure / I'm not aware of the committee receiving feedback other than board approving annual report. Proposed action: Twice yearly meetings to be set up with Chair of Committee and Chief Executive Officer / and Chair of TfN Board (subject to availability).			2	2	1
21	Are meetings well chaired, ensuring key agenda items are addressed with a focus on improvement?	Member comment: As chair, I believe that this is the case, but others may have a contrary opinion / Yes and focus of committee directed as appropriate / Very well chaired.					5
22	Are meetings effective with a good level good level of discussion and engagement from all members?	Member comment: Engagement and discussion have been limited by attendance of members, or lack of, particularly elected members / yes discussions evidence the broad skill sets / some members do not engage or ask many questions / good level of challenge and discussion / generally effective meetings but with inconsistent input from all members. Officer comment: See action point at 5 and above.	1			1	2
23	Has the committee maintained a non-political approach to discussions throughout?	Member comment: The Committee tends to be nonpolitical although the context does inevitably create political tension.					5
24	Does the committee engage with a wide range of leaders and managers, including discussions on audit findings, risks and action plans with responsible officers?						5

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25	Does the committee make recommendations for the improvement of governance, risk and control arrangements?	<p>Member comment: Not sure if the committee can make recommendations for the Board. It can call officers in to discuss topics if needed.</p> <p>Officer comment: Yes, as part of its role is to ensure efficient and effective assurance arrangements are in place. The Committee can make recommendations to the Board. See Comment at question 2 above.</p>				1	4
26	Do audit committee recommendations have traction with those in leadership roles?						5
27	Has the committee evaluated whether and how this is adding value to Transport for the North?	<p>Member comment: Not aware / Not aware / I'm not aware that the committee has explicitly considered its value added.</p> <p>Proposed action: To be addressed in the Chair's Annual Report on the Committee's work, the next one is scheduled for the financial year 2024 /2025 and thereafter recommended to the TfN Board for approval.</p>			1	1	3
28	Does the committee have an action plan to address any weaknesses?	<p>Member comment: It is not clear what formal action planning exists, outside of actions from meetings / Not aware / Not that I am aware of / Assume this will follow this exercise if deemed necessary / No action plan per se however we have introduced new ways of working including deep dives.</p> <p>Officer comment: See Action Plan presented to the Committee.</p>	1	1	2		1
29	Has this assessment been undertaken collaboratively with committee members?	<p>Member comment: Yes / I am not aware but again as a new member this may well have been undertaken before I joined.</p> <p>Officer comment: Yes, all given the opportunity to take part.</p>			1		4