

**Meeting:** Audit and Governance Committee  
**Subject:** Monitoring the Effectiveness of the Audit and Governance Committee  
**Author:** Joanne Barclay, Senior Solicitor  
**Sponsor:** Paul Kelly, Finance Director  
**Meeting Date:** Friday 8 March 2024

**1. Purpose of the Report:**

- 1.1 To present to members the proposed surveys which will be utilised as part of monitoring the effectiveness of the Committee, namely: (1) Self-assessment of good practice and (2) Evaluating the impact and effectiveness of the audit committee.
- 1.2 To advise members of the timeline and process which will be undertaken for completion of the surveys.
- 1.3 To advise members of next steps once the tools have been completed and returned to officers.

**2. Recommendations:**

- 2.1 For members to support the use of the proposed surveys which will be utilised as part of the monitoring the effectiveness of the Committee, namely: (1) Self-assessment of good practice and (2) Evaluating the impact and effectiveness of the audit committee. Copies of the surveys are at Appendix 1 and 2 of this report.
- 2.2 For members to note and support the process and timeline which will be undertaken to complete the surveys.
- 2.3 For members to note and support, the next steps once the surveys have been completed and returned to officers.

**3. Main Issues:**

- 3.1 Active consideration of committee performance is in the Audit and Governance work programme for 2023/2024. At the Committee meeting on 15 December 2023, officers presented to members a report on the proposal for the Committee to review its effectiveness.
- 3.2 The report stated that the self-assessment surveys would be presented to the Committee and officers would provide an explanation as to how to use them and respond to any questions from members.
- 3.3 Audit committees are a key component of an authority's governance framework. Their purpose is to provide an independent and high-level focus on the adequacy of governance, risk, and control arrangements. The Committee's role in ensuring that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance that those arrangements are effective. The Committee has oversight of both internal and external audit together with the financial and governance reports, helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability.
- 3.4 It is considered good practice to regularly assess the effectiveness of the Audit and Governance Committee. The guidance documents and surveys have been obtained from CIPFA. Where an audit committee has a high degree of performance against the good practice principles, then it is an indicator that the

committee is soundly based and has in place a knowledgeable membership. These are the essential factors in developing an effective audit committee.

### **Process and Timeline**

- 3.5 The self-assessment will be conducted via a survey issued by the Chair of the Audit and Governance Committee to all members and senior officers.
- 3.6 Once the self-assessment tools are completed, it is proposed that officers and the Chair will receive and review the results of the Committee's own self-assessment and devise an action plan for improvement and provide support for the action plan and seek progress reports.
- 3.7 The proposed timeline is as follows:
- 11 March 2024, Chair to send surveys to all Committee members
  - 8 April 2024, return date with follow up reminder issued on 1 April 2024

### **Next Steps once Surveys are returned**

- 3.8 On the week commencing 15 April 2024, officers will review information and collate results and prepare draft action plan.

On the week commencing 13 May 2024, officers will meet with the Chair to discuss results and an action plan.

At the next Audit and Governance Meeting on 19 July 2024, the following will be undertaken:

- The results of the self-assessment exercise and subsequent gap analysis will be shared with members
- Actions will be agreed to improve future effectiveness.

The results and agreed actions will assist the Committee Chair when producing the Annual Report for the Committee for consideration by Transport for the North Board on 17 September 2024.

## **4. Corporate Considerations:**

### ***Financial Implications***

- 4.1 Other than the modest cost of procuring the tools (surveys) and guidance documents from CIPFA, £265 plus VAT, there are no financial implications.

### ***Resource Implications***

- 4.2 There are no additional resourcing implications to Transport for the North as a result of implementing the self-assessment tool/process setout within this report.

### ***Legal Implications***

- 4.3 It is considered best practice for a committee to review its effectiveness. CIPFA recommends that this is undertaken on an annual basis and that this is reported in its Annual Report.

Where an audit committee has a high degree of performance against the good practice principles, then it is an indicator that the committee is soundly based and has in place a knowledgeable membership. These are the essential factors in developing an effective audit committee.

### ***Risk Management and Key Issues***

- 4.4 A corporate risk is being managed in the context of complying with governance and corporate process across Transport for the North which relates to this report.

### ***Environmental Implications***

4.5 There are no environmental or sustainability implications.

***Equality and Diversity***

4.6 Members are asked to contact the author of the report, if they require any support in using the self-assessment tools.

***Consultations***

4.7 Audit and Governance Committee is being consulted, through this report, on the proposed action for the next meeting.

**5. Background Papers:**

5.1 CIPFA - Audit Committees: Practical Guidance for Local Authorities and Police (2022 edition)

[The audit committee member in a local authority.pdf](#)

5.2 CIPFA - Guiding the audit committee (2022 edition) - Supplement to the audit committee member guidance

[Guiding the audit committee - supplement to the audit committee member guidance \(1\).pdf](#)

**6. Appendices:**

6.1 Appendix 1 Self-assessment of good practice survey

6.2 Appendix 2 Evaluating the impact and effectiveness of the audit committee survey

<b>Glossary of terms, abbreviations and acronyms used</b>	
a) CIPFA	Chartered Institute of Public Finance and Accountancy