



South Yorkshire Fire & Rescue Authority Audit & Governance Committee Self-Assessment Exercise

This is a high-level review that incorporates the key principles set out in CIPFA's Position Statement: Audit Committees in Local Authorities and Police. Where an Audit Committee has a high degree of performance against the good practice principle's then it is an indicator that the committee is soundly based and has in place knowledgeable membership. These are essential factors in developing an effective Audit Committee.

	Good Practice Questions	Yes	Partly	No	Comments
	Audit Committee purpose and governance				
1	Does the authority have a dedicated audit committee?	x			
2	Does the audit committee report directly to full authority?	x			
3	Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's position statement?	x			
4	Is the role and purpose of the audit committee understood and accepted across the authority?	x			
5	Does the audit committee provide support to the authority in meeting the requirements of good governance?	x			
6	Are the arrangements to hold the committee to account for its performance operating satisfactorily?	x			
	Functions of the committee				
7	Do the committee's terms of reference explicitly address all the core area identified in CIPFA's position statement? <ul style="list-style-type: none"> - Good governance - Assurance framework - Internal audit - External audit - Financial reporting - Risk management - Value for money or best value - Counter fraud and corruption 	x			
8	Is an annual evaluation undertaken to assess whether the committee is fulfilling its terms of reference and that adequate consideration has been given to all core areas?		x		The Committee would like to



					review Terms of Reference.
9	Has the audit committee considered the wider areas identified in CIPFA's position statement and whether it would be appropriate for the committee to undertake them?		x		
10	Where coverage of core areas has been found to be limited, are plans in place to address this?	x			
11	Has the committee maintained its non-advisory role by not taking on any decision-making powers that are not in line with its core purpose?	x			
	Membership and support				
12	Has an effective audit committee structure and composition of the board been selected? This should include: <ul style="list-style-type: none"> - Separation from the executive - An appropriate mix of knowledge and skills among the membership - A size of committee that is not unwieldy - Where independent members are used, that they have been appointed using appropriate process 		x		Where possible due to its composition and the skills available and delegated by the FRA.
13	Does the chair of the committee have appropriate knowledge and skills?	x			
14	Are arrangements in place to support the committee with briefings and training?	x			The Committee would like to continue to discuss training needs in the private session with internal and external audit.

15	Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?		x		The Committee uses independent members to advise.
16	Does the committee have good working relationships with key people and organisations, including external audit, internal audit, and the treasurer?		X		The Committee hopes to create a good working relationship with the incoming External Auditors.
17	Is adequate secretariat and administrative support to the committee provided?	x			
	Effectiveness of the committee				
18	Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?		x		To be developed.
19	Has the committee evaluated whether and how it is adding value to the organisation?		x		To be developed.
20	Does the committee have an action plan to improve any areas of weakness?		x		To be developed.

Evaluating the Effectiveness of the Audit Committee

This assessment tool helps Audit Committee members to consider where it is most effective and where there may be scope to do more. To be considered effective, the Audit Committee should be able to identify evidence of its impact or influence linked to specific improvements.

Assessment Key:

- 5 Clear evidence is available from a number of sources that the committee is actively supporting the improvement across all aspects of this area. The improvements made are clearly identifiable.
- 4 Clear evidence from some sources that the committee is actively and effectively supporting improvement across some aspects of this area.
- 3 The committee has had mixed experience in supporting improvement in this area. There is some evidence that demonstrates their impact but there are also significant gaps.
- 2 There is some evidence that the committee has supported improvements, but the impact of this support is limited.
- 1 No evidence can be found that the audit committee has supported improvements in this area.

Areas where the audit committee can add value by supporting improvement	Self-evaluation examples, areas of strength & weakness	Assessment 1-5
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<p>Promoting the principles of good governance and their application to decision making</p>	<p>The Committee reviews and approves the Annual Governance Statement.</p> <p>Internal audit reviews governance arrangements through its reporting, which is received and reviewed by the Committee.</p> <p>The Committee meets regularly and provides effective check and challenge.</p> <p>In all areas:</p> <p>Delivered by a small cohort of elected and independent members.</p> <p>No deferment or non-completion of the planned work programme.</p> <p>There has been a problem of Member turnover this municipal year, which has a stability and consistency impact on decision making and more in-depth review.</p>	<p>4</p>
<p>Contributing to the development of an effective control environment</p>	<p>The Committee approves the Treasury Management Policy and receives regular reporting on progress throughout the financial year.</p> <p>The Committee tracks the implementation of actions via the action log featured in the minutes, which is reviewed at every meeting of the Committee.</p>	<p>4</p>

<p>Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks</p>	<p>The Committee receives quarterly risk register reports and provides effective check and challenge.</p> <p>The Committee receives risk based internal audit reports and provides effective check and challenge.</p>	<p>4</p>
<p>Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively</p>	<p>The Committee reviews and approves internal and external audit plans, and regularly receives progress reports from both internal and external audit.</p> <p>Regular internal audit reporting is received by the Committee.</p> <p>The Committee scrutinises the Value for Money report received from external audit.</p>	<p>4</p>
<p>Supporting the quality of the internal audit activity, particularly by underpinning its organisational independence</p>	<p>The Committee reviews internal audit reports at every meeting, whilst providing effective scrutiny.</p> <p>The Committee benefits from private sessions with internal audit, including at the end of every Committee meeting and at various points throughout the year i.e., to discuss internal audit areas for the upcoming financial year.</p> <p>Internal audit consult with the Committee regarding future audit plans.</p> <p>The Committee has benefited from risk management training delivered by internal audit.</p>	<p>4</p>



<p>Aiding the achievement of the authority's goals and objectives through helping to ensure appropriate governance, risk, control and assurance arrangements</p>	<p>The Committee receives the corporate risks register that covers major projects and major risks, which are routinely scrutinised by Members.</p> <p>The Committee undertakes effective scrutiny and challenge of regular reporting received by key stakeholders.</p>	<p>4</p>
<p>Supporting the development of robust arrangements for ensuring value for money</p>	<p>The Committee scrutinises the Value for Money report from external audit.</p> <p>Value for Money is also reviewed annually in the AGS, which the Committee receives in both draft and final form.</p> <p>The Committee also scrutinises Value for Money reporting provided by internal audit.</p>	<p>4</p>
<p>Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks</p>	<p>The Committee provides effective check and challenge on fraud and corruption reporting.</p> <p>The Committee continues to scrutinise audits on fraud and corruption through finance reporting from key stakeholders.</p> <p>The Committee now benefits from receiving counter fraud reporting (an action from last year).</p>	<p>4</p>