

South Ribble Borough Council – Self Assessment of Good Practice March 2021

This appendix provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement. 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.

A regular self-assessment can be used to support the planning of the audit committee work programme and training plans. It can also inform an annual report.

	Good practice questions	Yes	Partly	No	Comments	Actions
	Audit committee purpose and governance					
1	Does the authority have a dedicated audit committee?	x			Governance Committee takes on the functions of an Audit Committee	N/A
2	Does the audit committee report directly to full council? (applicable to local government only)	x			The Governance Committee provide regular reports presented to full Council (6 reports in last calendar year).	N/A
3	Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's Position Statement?		x		See comments in body of report.	Governance Committee to consider revised Terms of Reference
4	Is the role and purpose of the audit committee understood and accepted across the authority?	x			The role and purpose of the Governance Committee form part of member training. The terms of reference for the Governance Committee form part of the Council's Constitution (part 2D – Governance Committee).	N/A
5	Does the audit committee provide support to the authority in meeting the requirements of good governance?	x			The Governance Committee provide assurance on the adequacy of internal control, risk management and the integrity of financial reporting and the annual governance processes.	
6	Are the arrangements to hold the committee to account for its performance operating satisfactorily?		x		The self-assessment of good practice has been completed for 2021.	The self-assessment will be undertaken and presented to the committee annually

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	Good practice questions	Yes	Partly	No	Comments	Actions
	Functions of the committee					
7	Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement?					
	<ul style="list-style-type: none"> Good governance 		x		See comments in body of report.	Governance Committee to consider revised Terms of Reference
	<ul style="list-style-type: none"> Assurance framework, including partnerships and collaboration arrangements 		x		See comments in body of report.	
	<ul style="list-style-type: none"> Internal audit 		x		See comments in body of report.	
	<ul style="list-style-type: none"> External audit 		x		See comments in body of report.	
	<ul style="list-style-type: none"> Financial reporting 	x			Included within current Terms of Reference	N/A
	<ul style="list-style-type: none"> Accountability Arrangements 		x		See comments in body of report.	Governance Committee to consider revised Terms of Reference
	<ul style="list-style-type: none"> Risk management 	x			Included within current Terms of Reference	N/A
	<ul style="list-style-type: none"> Value for money or best value 	x			Included within current Terms of Reference	N/A
	<ul style="list-style-type: none"> Counter fraud and corruption 	x			Included within current Terms of Reference	N/A
	<ul style="list-style-type: none"> Supporting the ethical framework 			x	See comments in body of report.	Governance Committee to consider revised Terms of Reference
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 self-assessment of good practice has been completed for 2021.	The self-assessment will be undertaken and presented to the committee annually

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	Good practice questions	Yes	Partly	No	Comments	Actions
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			The Governance Committee is responsible for ensuring effective scrutiny of the Treasury Management Strategy and associated activities.	N/A
10	Where coverage of core areas has been found to be limited, are plans in place to address this?		x		See comments in body of report.	Governance Committee to consider revised Terms of Reference
11	Has the committee maintained its advisory role by not taking on any decision-making powers that are not in line with its core purpose?	x			The Governance Committee does have any decision-making powers in relation to its audit functions.	N/A
Membership and support						
12	Has an effective audit committee structure and composition of the committee 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 Consideration has been given to the inclusion of at least one independent member (where it is not already a mandatory requirement).		x		No member of the Cabinet may sit on the Governance Committee. All members of the committee receive training following their appointment to the Committee on their roles. Recent training has been provided for all members on 'Checks and Balances' and 'Ethical Decision Making' Governance Committee consists of 7 elected member	Skills and Knowledge to be assessed. Consider the appointment of an independent person
13	Have independent members appointed to the committee been recruited in an open and transparent way and approved by the full council or the PCC and chief constable as appropriate for the organisation?			N/A	An independent person has not been appointed for the Governance Committee.	N/A
14	Does the chair of the committee have appropriate knowledge and skills?		x		Skills and knowledge to be assessed	See Action 12

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	Good Practice Questions	Yes	Partly	No	Comments	Actions
15	Are arrangements in place to support the committee with briefings and training?	✗			Briefings will be held with the Chair/Deputy Chair of the Governance Committee prior to each meeting. All members of the committee receive training following their appointment to the Committee on their roles. Recent training has been provided for all members on 'Checks and Balances' and 'Ethical Decision Making'.	N/A
16	Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?		✗		Skills and knowledge of the Governance Committee to be assessed	See Action 12
17	Does the committee have good working relations with key people and organisations, including external audit, internal audit and the CFO?	✗			External Audit, the Chief Executive, Director of Governance regularly attend Governance Committee meetings. The newly appointed Service Lead – Audit & Risk will also attend meetings.	N/A
18	Is adequate secretariat and administrative support to the committee provided?	✗			All meetings are attended by a member of the Democratic Services who support the Committee with their secretariat and administrative needs. All agendas and minutes of the meetings are published on the Council's website.	N/A
	Effectiveness of the committee					
19	Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?			✗	The Committee has not obtained feedback on its performance from those interacting with it or relying on its work	Short survey to be developed and issued to key stakeholders to obtain feedback
20	Are meetings effective with a good level of discussion and engagement from all the members?	✗			Good levels of discussion evidenced in the committee meeting minutes and via recordings of meetings available publicly on YouTube.	N/A

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	Good Practice Questions	Yes	Partly	No	Comments	Actions
21	Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?	✗			Internal Audit provide summaries of their findings and non-implementation of agreed actions are reported on an exception basis. Senior officers regularly attend committee meetings to present reports on subject matters appropriate for the committee.	N/A
22	Does the committee make recommendations for the improvement of governance, risk and control and are these acted on?	✗			Good levels of discussion evidenced in the committee meeting minutes and via recordings of meeting available publicly on YouTube in relation to governance, risk and control.	N/A
23	Has the committee evaluated whether and how it is adding value to the organisation		✗		The Committee has not evaluated how it is adding value to the organisation, this can be added to the short survey to key stakeholders.	Short survey to be issued to key stakeholders to obtain feedback
24	Does the committee have an action plan to improve any areas of weakness?			✗	Self-assessment contains actions for improvements	N/A
25	Does the committee publish an annual report to account for its performance and explain its work?	✗			General reports of the Governance Committee meetings are regularly provided to Council. This will include the results of the Self-Assessment	N/A