

Appendix 1

Audit Committee Self Assessment

Audit Committee Purpose and Governance

Good practice questions	Yes	Partly	No
1. Does the authority have a dedicated audit committee?	Yes		
2. Does the audit committee report directly to full council? (Applicable to local government only)	Yes. All Audit Committee minutes are circulated to full Council for noting and approval of recommendations made. An annual report is submitted by the Chair of the Audit Committee to full Council.		
3. Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's Position Statement?	Yes – ToR in place and periodically reviewed against CIPFA's best practice. Some changes were identified following an assessment against CIPFA Audit Committee - Practical Guidance for Local Authorities and a proposed new Terms		

	of Reference was developed and approved by the Audit Committee and Council. This has as yet however still to be written into the revised standing orders although we understand that this should be completed by the end of August 2015.		
4. Is the role and the purpose of the audit committee understood and understood across the authority?	Yes – role of committee is set out in Council’s standing orders. Senior Management and Elected Members have access to Standing Orders on the Council Intranet.		
5. Does the audit committee provide support to the authority in meeting the requirements of good governance?	Yes – committee carries out the role set out in the Terms of Reference contributing to the authority’s governance framework.		
6. Are the arrangements to hold the committee to account for its performance operating satisfactorily?	Yes – Independent Chair does not have voting rights.		

	Attendance at meetings by senior management. Audit Committee minutes are submitted to full Council. The Chair of the Audit Committee produces an annual report to full Council which summarises the work of the Audit Committee and provides an opportunity for challenge.		
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Functions of the committee

Good Practice Questions	Yes	Partly	No
7. Do the committee terms or reference explicitly address all the core areas identified in CIPFA`s position statement?			
▪ Good governance	Yes		
▪ Assurance framework	Yes		
▪ Internal audit	Yes		
▪ External audit	Yes		
▪ Financial reporting	Yes		
▪ risk management	Yes		
▪ value for money or best value		Partly. Revised ToR has this requirement.	

		Awaiting update of new ToR to standing orders (action raised).	
<ul style="list-style-type: none"> ▪ Counter Fraud and Corruption 	Yes		
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?	Yes. An annual report is produced by the Chair of the Audit Committee and provided to full Council for comment / review.		
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 overtake them?		The Audit Committee ToR has been adjusted to include Ethics, Treasury Management and specific services reviews. Awaiting update of new ToR to standing orders (action raised).	
10. Where coverage of core areas has been found to be limited, are plans in place to address this?	N/A – coverage of core areas has not been found to be limited. If coverage was found to be limited an action plan would be put in place.		
11. Has the committee maintained its non-advisory	Yes		

role by not taking any decision-making power that is not in line with its core purpose?			
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Membership and Support

Good Practice Questions	Yes	Partly	No
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 			No. There are members of the Executive on the Audit Committee. However this is considered as difficult to avoid in a small Council and the Audit Committee operates with an independent Chair and independent member and there is therefore effective challenge.
<ul style="list-style-type: none"> ▪ An appropriate mix of knowledge and skills amongst the membership 	Yes. Comprises of Elected Members, Chair of the Audit Committee and independent member.		
<ul style="list-style-type: none"> ▪ A size of a committee that is not unwieldy 	Yes - membership limited to six elected members and independent chair and		

	member.		
<ul style="list-style-type: none"> ▪ Where independent members are used, that they have been appointed using an appropriate process. 	<p>Yes – person specification for chair in place. Post was advertised and interviews undertaken by the Chief Executive and the Audit Manager.</p> <p>The Committee is currently advertising for an independent member and this is following the same process noted above.</p>		
13. Does the chair of the committee have the appropriate knowledge and skills?	Yes – relevant and recent financial experience and a relevant accountancy qualification.		
14. Are arrangements in place to support the committee with briefings and training?	<p>Yes.</p> <p>Elected members currently have access to a collective development programme and individual development discussions which cover a range of topics including specific training for those on</p>		

	<p>scrutiny committees such as audit. In addition, at the request of members, as part of their development discussions for 2015, a further financial session is planned in the scheduled Elected Member Development Programme.</p>		
<p>15. Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?</p>		<p>Partly. Members are provided with standard induction training and manuals that cover a number of areas listed within the core knowledge and skills framework. Training has also been provided specifically to the Audit Committee on finance related areas. Elected members can also participate in the collective development and individual development programmes. An</p>	

		action has however been raised to undertake an assessment against the knowledge and skills framework	
16. Does the committee have good working relations with key people and organisations, including external audit, internal audit and the chief financial officer?	Yes – Chief Executive, Directors and Section 95 Officer attends Audit Committee meetings. External and Internal Audit attend all Audit Committee meetings. Audit Committee pre-meetings in place with Chief Executive, Audit Manager, Chair of Audit Committee, Director Resources and Section 95 Officer.		
17. Is adequate secretariat and administrative support to the committee provided?	Yes		

Effectiveness of the committee

Good Practice Questions	Yes	Partly	No
18. Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?	Yes. The Chair of the Audit Committee produces an annual		

	report and presents to full Council.		
19. Has the committee evaluated whether and how it is adding value to the organisation?	Yes. The Chair of the Audit Committee produces an annual report and presents to full Council.	.	
20. Does the committee have an action plan to improve any areas of weakness?	Yes The following actions are to be included on the action plan: <ul style="list-style-type: none"> • update of Standing Orders; and • assessment against the core areas of knowledge and skills framework. 		