

<b>AUDIT SELF-ASSESSMENT CHECKLIST For Information</b>	<b>13 June 2018</b>
<b>AUDIT COMMITTEE</b>	

<b>Linkage to Council Strategy (2015-19)</b>	
<b>Strategic Theme</b>	Leader and Champion
<b>Outcome</b>	Establish key relationships with Government, agencies and potential strategic partners
<b>Lead Officer</b>	Director of Corporate Services
<b>Cost: (If applicable)</b>	Nil

## Background

At the previous Audit Committee meeting held in March 2018 it was agreed that all Audit Committee Members (including the Independent Member) would carry out an assessment of the Audit Committee by completing a Self-Assessment Checklist. While completion of the Self-Assessment Checklist is not a requirement, it does represent good practice with regard to Audit Committees and the standards to which the Council should aspire.

The checklist is based on the CIPFA developed Audit Committee Self-Assessment guidance included as part of their Guide on Audit Committees in Local Authorities. It contains a list of questions covering areas such as membership, terms of reference, internal audit, internal control, financial reporting, external audit, meetings, training and administration.

It is proposed that members of the Audit Committee are given the opportunity to review the questionnaire in advance of the Audit Committee meeting of 13<sup>th</sup> June so that they can seek any clarification from Internal Audit at that meeting (**Appendix 1 blank and Appendix 2 partially completed**).

As previously agreed; once the members have completed and submitted the questionnaires Internal Audit will collate and summarise the results and present a summary report of the key findings, with recommendations (if applicable) at a future meeting of the Audit Committee.

A regular self-assessment can be used to support the planning of the audit committee work programme and improve the effectiveness of the committee.

Self-assessment Checklist – Measuring the Effectiveness of the Audit Committee (based on the CIPFA - Audit Committees Practical Guidance for Local Authorities)

<b>Terms of Reference</b>	
Have the committee's terms of reference been approved by full council?	
Do the terms of reference follow the CIPFA model?	
<b>Internal Audit Process</b>	
Does the Committee approve the strategic audit approach and the annual programme?	
Is the work of internal audit reviewed regularly?	
Are summaries of quality questionnaires from managers reviewed?	
Is the annual report, from the head of audit, presented to the audit committee?	
<b>External Audit Process</b>	
Are reports on the work of external audit and other inspection agencies presented to the Committee?	
Does the committee input into the external audit programme?	
Does the committee ensure that officers are acting on and monitoring action taken to implement recommendations?	
Does the committee take a role in overseeing: <ul style="list-style-type: none"> <li>• risk management strategies</li> <li>• internal control statements</li> <li>• anti-fraud arrangements</li> <li>• whistle-blowing strategies?</li> </ul>	
<b>Membership</b>	
Has the membership of the committee been formally agreed and a quorum set?	
Is the chair free of executive or scrutiny functions?	
Are members sufficiently independent of the other key committees of the council?	

## Appendix 1

Have all members' skills and experiences been assessed and training given for identified gaps?	
Can the committee access other committees as necessary?	
<b>Meetings</b>	
Does the committee meet regularly?	
Are separate, private meetings held with the external auditor and the internal auditor?	
Are meetings free and open without political influences being displayed? Are decisions reached promptly?	
Are agenda papers circulated in advance of meetings to allow adequate preparation by members?	
Does the committee have the benefit of attendance of appropriate officers at its meetings?	
<b>Training</b>	
Is induction training provided to members?	
Is more advanced training available as required?	
<b>Administration</b>	
Does the authority's s151* officer or deputy attend all meetings?	
Are the key officers available to support the committee?	
<b>Any additional Comments:</b>	

\*The term **S151 Officer** has been used as a short hand expression to refer to the role, and duties of the 'Responsible Financial **Officer**' as defined by CIPFA (i.e. the function of the most senior finance **officer** employed by an organisation)

## Appendix 2

Self-assessment Checklist – Measuring the Effectiveness of the Audit Committee (based on the CIPFA - Audit Committees Practical Guidance for Local Authorities)

<b>Terms of Reference</b>	
Have the committee's terms of reference been approved by full council?	Presented at Audit Committee 29 <sup>th</sup> June 2015  Approved by Council 30 <sup>th</sup> June 2015
Do the terms of reference follow the CIPFA model?	Yes – CIPFA model used as a base; but could now be reviewed
<b>Internal Audit Process</b>	
Does the Committee approve the strategic audit approach and the annual programme?	Internal Audit Strategy 2015-19 in place and was approved by the Audit Committee  The Annual Audit Plan is presented to the Audit Committee for approval every year.
Is the work of internal audit reviewed regularly?	Yes – by Director of Corporate Services
Are summaries of quality questionnaires from managers reviewed?	Yes – satisfaction surveys are issued to managers after each audit
Is the annual report, from the head of audit, presented to the audit committee?	Yes
<b>External Audit Process</b>	
Are reports on the work of external audit and other inspection agencies presented to the Committee?	
Does the committee input into the external audit programme?	
Does the committee ensure that officers are acting on and monitoring action taken to implement recommendations?	
Does the committee take a role in overseeing: <ul style="list-style-type: none"> <li>• risk management strategies</li> <li>• internal control statements</li> <li>• anti-fraud arrangements</li> <li>• whistle-blowing strategies?</li> </ul>	
<b>Membership</b>	
Has the membership of the committee been formally agreed and a quorum set?	
Is the chair free of executive or scrutiny functions?	

## Appendix 2

Are members sufficiently independent of the other key committees of the council? Have all members' skills and experiences been assessed and training given for identified gaps?	
Can the committee access other committees as necessary?	
<b>Meetings</b>	
Does the committee meet regularly?	At least quarterly
Are separate, private meetings held with the external auditor and the internal auditor?	
Are meetings free and open without political influences being displayed? Are decisions reached promptly?	
Are agenda papers circulated in advance of meetings to allow adequate preparation by members?	
Does the committee have the benefit of attendance of appropriate officers at its meetings?	
<b>Training</b>	
Is induction training provided to members?	
Is more advanced training available as required?	
<b>Administration</b>	
Does the authority's s151* officer or deputy attend all meetings?	Yes – Chief of Finance attends
Are the key officers available to support the committee?	
<b>Any additional Comments:</b>	

\*The term **S151 Officer** has been used as a short hand expression to refer to the role, and duties of the 'Responsible Financial **Officer**' as defined by CIPFA (i.e. the function of the most senior finance **officer** employed by an organisation)