

## CIPFA – Audit Committee self-assessment checklist

ESTABLISHMENT, OPERATION AND DUTIES					
Role and remit					
Priority	Issue	Yes	No	N/a	Comments/action
1	Does the audit committee have written terms of reference?	Y			TOR are contained within the Council Constitution
1	Do the terms of reference cover the core functions of an audit committee as identified in the CIPFA guidance?	Y			TOR reference were prepared using the CIPFA guidance whilst recognising the historical role of other Committees relating to governance issues.
1	Are the terms of reference approved by the council and reviewed periodically?	Y			The Constitution is regularly reviewed and the Audit Committee TOR are included in this process. However, if there was a particular amendment that considered necessary it would be considered and subject to approval by the Executive.
1	Has the audit committee been provided with sufficient membership, authority and resources to perform its role effectively and independently?	Y			The Committee believe that the level of membership, authority and resources available is sufficient to perform it's role effectively and independently.
1	Can the audit committee access other committees and full council as necessary?	Y			The Audit Committee can report to full Council or any other Committee if it needs to
1	Does the authority's statement on internal control include a description of the audit committee's establishment and activities?	Y			It refers to the Constitution which contains TOR for the Audit Committee and other monitoring Committees
2	Does the audit committee periodically assess its own effectiveness?	Y			The completion of this checklist was carried out by Members of the Audit Committee
2	Does the audit committee make a formal annual report on its work and performance during the year to full council?		N		Report to Audit Committee made annually by the Chairman but this can also be presented to Council to support the work of the Committee <b>(Action point 1)</b>
Membership, induction and training					
1	Has the membership of the audit committee been formally agreed and a quorum set?	Y			This is set out in the Council Constitution, three Members in attendance will constitute a quorum.
1	Is the chair independent of the executive function?	Y			The Chairman of the Audit Committee is selected with this in mind.

1	Has the audit committee chair either previous knowledge of, or received appropriate training on, financial and risk management, accounting concepts and standards, and the regulatory regime?	Y			Training has been given in these areas.
1	Are new audit committee members provided with an appropriate induction?	Y			The induction process covers all of the necessary areas but is condensed into a short time frame.
1	Have all members' skills and experiences been assessed and training given for identified gaps?		N		General training for all members rather than individual needs. There has been a rolling program of training and presentations given to Audit Committee but not through an individual assessment. <b>(Action point 2 – Identify the programme of work presented to the Audit Committee and seek individuals assessment of gaps to identify training needs)</b>
1	Has each member declared his or her business interests?	Y			This takes place upon election and at every Audit Committee members are asked to disclose any interests.
2	Are members sufficiently independent of the other key committees of the council?	Y			Overlaps are avoided wherever possible and no Member of the Audit Committee is a Cabinet member.
<b>Meetings</b>					
1	Does the audit committee meet regularly?	Y			Currently meet four times per annum
1	Do the terms of reference set out the frequency of meetings?		N		Determined by Council who authorise the annual programme of meetings <b>(Action point 3 – Does there need to be a minimum number of meetings stipulated in the Constitution?)</b>
1	Does the audit committee calendar meet the authority's business needs, governance needs and the financial calendar?	Y			Programme of meetings timed to meet these needs
1	Are members attending meetings on a regular basis and if not, is appropriate action taken?	Y			The Audit Committee consider that attendance is regular and that there is no need for any action to be taken.
1	Are meetings free and open without political influences being displayed?	Y			Meetings are open to all Members of the Council to attend and express a view irrespective of political alliances.
1	Does the authority's S151 officer or deputy attend all meetings?	Y			The s151 Officer and the CIA attend meetings.
1	Does the audit committee have the benefit of attendance of appropriate officers at its meetings?	Y			Appropriate officers required to attend and present items

<b>INTERNAL CONTROL</b>					
1	Does the audit committee consider the findings of the annual review of the effectiveness of the system of internal control (as required by the Accounts & Audit Regulations) including the review of the effectiveness of the system of internal audit?	Y			The Annual Governance Statement pulls all of this information together and is presented to the Audit Committee for consideration with the accounts
1	Does the audit committee have responsibility for review and approval of the AGS and does it consider it separately from the accounts?	Y			Audit Committee consider, discuss and recommend acceptance
1	Does the audit committee consider how meaningful the AGS is?	Y			The Audit Committee review the statement and use it as evidence to determine their opinion of the overall corporate governance arrangements
1	Does the audit committee satisfy itself that the system of internal control has operated effectively throughout the reporting period?	Y			Regular reporting of internal control and risk management matters takes place
1	Has the audit committee considered how it integrates with other committees that may have responsibility for risk management?	Y			The Audit Committee consider the Risk Management Strategy on an annual basis and this sets out the responsibilities relating to risk management including a requirement to consider risk management in all reports submitted to Members.
1	Has the audit committee (with Delegated responsibility) or the full council adopted "Managing the Risk of Fraud – Actions to Counter Fraud and Corruption?"	Y			The Audit Committee is tasked with carrying out regular reviews of the Anti-Fraud and associated policies before they are adopted. These documents regularly consider best practice and principles set out in CIPFA, DWP and Audit Commission publications
1	Does the audit committee ensure that the "Actions to Counter Fraud and Corruption" are being implemented?	Y			The Audit Committee has had a private session with the CIA to consider the counter fraud activities identified in the Audit Commission – Protecting the Public Purse and CIPFA – Managing the Fraud of Risk publications.
2	Is the audit committee made aware of the role of risk management in the preparation of the internal audit plan?	Y			Annual audit plan reported to members
2	Does the audit committee review the authority's strategic risk register at least annually?	Y			A strategic risk register has been prepared and presented to the Audit Committee
2	Does the audit committee monitor how the authority assesses its risk?	Y			Regular reporting takes place on risk management, insurance claims and any other significant events.

2	Do the audit committee's terms of reference include oversight of the risk management process?	Y			Included in Constitution
<b>FINANCIAL REPORTING AND REGULATORY MATTERS</b>					
1	Is the audit committee's role in the consideration and/or approval of the annual accounts clearly defined?	Y			Included in Constitution, the role of the Audit Committee is to review the accounts with the GP Committee approving them. Because of the size of the GP Committee and wider expertise this is considered to be a better option.
1	Does the audit committee consider specifically: <ul style="list-style-type: none"> <li>• the suitability of accounting policies and treatments</li> <li>• major judgements made</li> <li>• large write-offs</li> <li>• changes in accounting treatment</li> <li>• the reasonableness of Accounting estimates</li> <li>• the narrative aspects of reporting?</li> </ul>	Y			The Audit Committee are regularly updated with the requirements for preparation and presentation of the accounts. The annual accounts are reviewed by the Audit Committee prior to acceptance by the GP Committee. Major write offs are considered and approved by the Executive. <b>(Action point 4 – Would there be any merit in the Audit Committee considering write-offs prior to reporting them to the Executive?)</b>
1	Is an audit committee meeting scheduled to receive the external auditor's report to those charged with governance including a discussion of proposed adjustments to the accounts and other issues arising from the audit?	Y			All Audit Commission reports are presented to Audit Committee and the Audit Commission attend meetings and answers any questions arising from the reports
1	Does the audit committee review management's letter of representation?		N		Provided by GP as governance Committee although it is reported to Audit Committee following approval of accounts
2	Does the audit committee annually review the accounting policies of the authority?	Y			This is covered in the statement of accounts and the Principal Accountant attends the meetings to provide any clarification on issues raised
2	Does the audit committee gain an understanding of management's procedures for preparing the authority's annual accounts?	Y			Regular updates on accounting practices and training is given to both Audit & GP Members
2	Does the audit committee have a mechanism to keep it aware of topical legal and regulatory issues, for example by receiving circulars and through training?	Y			Regular updates given on major accounting issues eg IFRS and individual significant events e.g Landbanski

INTERNAL AUDIT					
1	Does the audit committee approve, annually and in detail, the internal audit strategic and annual plans including consideration of whether the scope of internal audit work addresses the authority's significant risks?	Y			Reported annually to the Audit Committee as well being approved by Management Team. Members are able to comment on the plan and ask questions regarding coverage. There is also the ability for Members to raise concerns in or outside of meetings to request assurance in any areas.
1	Does internal audit have an appropriate reporting line to the audit committee?	Y			This is set out in Audit Charter and the CIA has the right to report in his own name to the Audit Committee
1	Does the audit committee receive periodic reports from the internal audit service including an annual report from the Head of Internal Audit?	Y			Regular updates on audits undertaken are given as well as an annual report.
1	Are follow-up audits by internal audit monitored by the audit committee and does the committee consider the adequacy of implementation of recommendations?	Y			Outcome of recommendations reported upon together with specific reference to any high priority recommendations.
1	Does the audit committee hold periodic private discussions with the Head of Internal Audit?	Y			The first meeting was held in December 2009 to consider current audit developments
1	Is there appropriate cooperation between the internal and external auditors?	Y			There is regular contact between the two auditors and the Audit Commission have been tasked with providing an Audit Protocol document in 2010 to formalise this process. There is also an arrangement for either side to call a meeting to discuss progress of the audit etc to avoid duplicate working.
1	Does the audit committee review the adequacy of internal audit staffing and other resources?	Y			The annual report of the CIA informs members of the resources available and gives Members the opportunity to discuss them
1	Has the audit committee evaluated whether its internal audit service complies with CIPFA's Code of Practice for Internal audit in Local Government in the United Kingdom?	Y			Independent review carried out by Gravesham in 2009 that concluded that this Code was complied with.
2	Are internal audit performance measures monitored by the audit committee?	Y			These are included in the annual report of the Chief Internal Auditor
2	Has the audit committee considered the information it wishes to receive from internal audit?	Y			The quality and quantity of the reports submitted to the Audit Committee has been determined by the Committee in meetings.

<b>EXTERNAL AUDIT</b>					
1	Do the external auditors present and discuss their audit plans and strategy with the audit committee (recognising the statutory duties of external audit)?	Y			Annual plan presented to Audit Committee
1	Does the audit committee hold periodic private discussions with the external auditor?		N		Audit Commission staff attend Audit Committee meetings <b>(Action point 5 – Contact the Audit Commission to see if these are required)</b>
1	Does the audit committee review the external auditor's annual report to those charged with governance?	Y			All papers from Audit Commission are reported to Audit Committee
1	Does the audit committee ensure that officers are monitoring action taken to implement external audit recommendations?	Y			Action plans from papers are reported to Audit Committee
1	Are reports on the work of external audit and other inspection agencies presented to the committee, including the Audit Commission's annual audit and inspection letter?	Y			All papers from Audit Commission and other inspection bodies are reported to Audit Committee
1	Does the audit committee assess the performance of external audit?	Y			All reports submitted by the Audit Commission are presented to the Committee and members are able to question the Audit Commission staff and give feedback on performance
1	Does the audit committee consider and approve the external audit fee?	Y			Annual Fee letter presented to Audit Committee and is discussed with Audit Commission staff available to offer comments and answer questions.
<b>ADMINISTRATION</b>					
<b>Agenda management</b>					
1	Does the audit committee have a designated secretary from Committee/Member Services?	Y			Member of Central Services prepares and distributes agendas and minutes.
1	Are agenda papers circulated in advance of meetings to allow adequate preparation by audit committee members?	Y			Papers are circulated in advance of meetings and are available electronically
2	Are outline agendas planned one year ahead to cover issues on a cyclical basis?	Y			Agendas are planned to fit in with the accounting framework cycle but are also considered at Management Team in advance of the meeting so that additional items can be added

2	Are inputs for Any Other Business formally requested in advance from committee members, relevant officers, internal and external audit?	Y			There is provision for the Chairman to accept any urgent items of late business if there are special circumstances and notice has been given to the CE
<b>Papers</b>					
1	Do reports to the audit committee communicate relevant information at the right frequency, time, and in a format that is effective?	Y			The format of papers has evolved with Members input on what is required. The timing of reports is set to ensure that relevant information is available to the Audit Committee for their consideration of Corporate Governance in a timely manner.
2	Does the audit committee issue guidelines and/or a proforma concerning the format and content of the papers to be presented?	Y			There is a pro-forma template for all Committee reports to ensure the inclusion of specific sections such as Risk Management, Legal issues etc but the content of reports to the Audit Committee has been evolved following feedback at meetings and requests from Members on what level of information and detail they wish to be included
<b>Actions arising</b>					
1	Are minutes prepared and circulated promptly to the appropriate people?	Y			Agenda and reports are issued at least 5 clear working days in advance of the meeting in accordance with Access to Information requirements
1	Is a report on matters arising made and minuted at the audit committee's next meeting?	Y			Minutes of previous meeting approved and any items where Members have requested additional work is either reported to the Member outside of Committee or subject to a further report at a subsequent meeting
1	Do action points indicate who is to perform what and by when?	Y			Action points are recorded within text of minutes