

APPENDIX B

Ref	Standard	Y/N	Comments and remedial actions
	ESTABLISHMENT, OPERATION AND DUTIES		
1	Role and remit		
1.1	Does the audit committee have written terms of reference?	Y	
1.2	Do the terms of reference cover the core functions of an audit committee as identified in the CIPFA guidance?	Y	
1.3	Are the terms of reference approved by the council and reviewed periodically?	Y	
1.4	Has the audit committee been provided with sufficient membership, authority and resources to perform its role effectively and independently?	Y	There is currently a vacancy for an elected member although the council has successfully recruited a co-opted member since the last review.
1.5	Can the audit committee access other committees and full council as necessary?	Y	
1.6	Does the authority's AGS include a description of the audit committee's establishment and activities?	Y	
1.7	Does the audit committee periodically assess its own effectiveness?	Y	Last done in September 2013. The Committee also considers its effectiveness as part of an annual away day which is due to take place on 24 September 2014
1.8	Does the audit committee make a formal annual report on its work and performance during the year to full council?	Y	Reported to Audit Committee May 2014 and Full Council on 16 July 2014.
2	Membership, induction and training		
2.1	Has the membership of the audit committee been formally agreed and a quorum set?	Y	
2.2	Is the chair independent of the executive function?	Y	
2.3	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	
2.4	Are new audit committee members provided with an appropriate induction?	Y	
2.5	Have all members' skills and experiences been assessed and training given for identified gaps?	N	To be considered as part of the Committee's awayday in September 2014.
2.6	Has each member declared his or her business interests?	Y	Democratic Services has confirmed that all members have declared their interests and the register is available on request.
2.7	Are members sufficiently independent of the other key committees of the council?	Y	Although there are some who are members of Overview and Scrutiny, Employment Committee and the Pension Fund Committee. Best practice says this should be

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			limited to one. The TOR say that 'Audit Committee members <i>should</i> not be Cabinet members and <i>ideally</i> also should not be members of the Scrutiny Committee'. It is difficult to achieve this completely, and in some ways, it can be beneficial for Audit Committee members to have a broad understanding of issues which they gain from membership of other committees.
3	Meetings		
3.1	Does the audit committee meet regularly?	Y	
3.2	Do the terms of reference set out the frequency of meetings?	N	Not specifically but meetings are usually at least quarterly
3.3	Does the audit committee calendar meet the authority's business needs, governance needs and the financial calendar?	Y	
3.4	Are members attending meetings on a regular basis and if not, is appropriate action taken?	Y	
3.5	Are meetings free and open without political influences being displayed?	Y	
3.6	Does the authority's S151 officer or deputy attend all meetings?	Y	
3.7	Does the audit committee have the benefit of attendance of appropriate officers at its meetings?	Y	
4	INTERNAL CONTROL		
4.1	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	
4.2	Does the audit committee have responsibility for review and approval of the AGS and does it consider it separately from the accounts?	Y	
4.3	Does the audit committee consider how meaningful the AGS is?	Y	
4.4	Does the audit committee satisfy itself that the system of internal control has operated effectively throughout the reporting period?	Y	
4.5	Has the audit committee considered how it integrates with other committees that may have responsibility for risk management?	Y	Strategic risk is considered by both the Executive and the Scrutiny Committee
4.6	Has the audit committee (with delegated responsibility) or the full council adopted "Managing the Risk of Fraud – Actions to Counter Fraud and Corruption?"	N	It could easily be included in the annual report on fraud. Can be used in any proposed training on Fraud management.
4.7	Does the audit committee ensure	N	The Council's arrangements for dealing with

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	that the "Actions to Counter Fraud and Corruption" are being implemented?		fraud are in need of review. The role of the Committee (ie reporting arrangements) will be considered as part of that review.
4.8	Is the audit committee made aware of the role of risk management in the preparation of the internal audit plan?	Y	
4.9	Does the audit committee review the authority's strategic risk register at least annually?	Y	
4.10	Does the audit committee monitor how the authority assesses its risk?	Y	Annual report on the council's risk management arrangements.
4.11	Do the audit committee's terms of reference include oversight of the risk management process?	Y	
5	FINANCIAL REPORTING AND REGULATORY MATTERS		
5.1	Is the audit committee's role in the consideration and/or approval of the annual accounts clearly defined?	Y	
5.2	Does the audit committee consider specifically: <ul style="list-style-type: none"> • the suitability of accounting policies and treatments • major judgements made • large write-offs • changes in accounting treatment • the reasonableness of accounting estimates the narrative aspects of reporting?	Partly	These issues are highlighted when the Committee sees the Council's accounts.
5.3	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	
5.4	Does the audit committee review management's letter of representation	Y	Draft letter of representation is part committee's consideration of external auditor's governance report.
5.5	Does the audit committee annually review the accounting policies of the authority?	Y	
5.6	Does the audit committee gain an understanding of management's procedures for preparing the authority's annual accounts?	Y	
5.7	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	Annual training event will assist
6	INTERNAL AUDIT		
6.1	Does the audit committee approve, annually and in detail, the internal audit strategic and annual plans including consideration of whether	Y	

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	the scope of internal audit work addresses the authority's significant risks?		
6.2	Does internal audit have an appropriate reporting line to the audit committee?	Y	
6.3	Does the audit committee receive periodic reports from the internal audit service including an annual report from the Head of Internal Audit?	Y	
6.4	Are follow-up audits by internal audit monitored by the audit committee and does the committee consider the adequacy of implementation of recommendations?	Y	This will be improved with more detailed information about the status of implementation, soon to be introduced.
6.5	Does the audit committee hold periodic private discussions with the Head of Internal Audit?	Y	It is given the opportunity
6.6	Is there appropriate cooperation between the internal and external auditors?	Y	
6.7	Does the audit committee review the adequacy of internal audit staffing and other resources?	Y	
6.8	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 and PSIAS?	Y	See Head of Audit's annual opinion.
6.9	Are internal audit performance measures monitored by the audit committee?	Y	
6.10	Has the audit committee considered the information it wishes to receive from internal audit?	Y	
7	EXTERNAL AUDIT		
7.1	Do the external auditors present and discuss their audit plans and strategy with the audit committee (recognizing the statutory duties of external audit)?	Y	
7.2	Does the audit committee hold periodic private discussions with the external auditor?	Y	It has the opportunity to do so.
7.3	Does the audit committee review the external auditor's annual report to those charged with governance?	Y	
7.4	Does the audit committee ensure that officers are monitoring action taken to implement external audit recommendations?	N	Improvement required
7.5	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	

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7.6	Does the audit committee assess the performance of external audit?	Y	
7.7	Does the audit committee consider and approve the external audit fee?	Y	
8	ADMINISTRATION		
	Agenda management		
8.1	Does the audit committee have a designated secretary from Committee/Member Services?	Y	
8.2	Are agenda papers circulated in advance of meetings to allow adequate preparation by audit committee members?	Y	
8.3	Are outline agendas planned one year ahead to cover issues on a cyclical basis?	Y	
8.4	Are inputs for Any Other Business formally requested in advance from committee members, relevant officers, internal and external audit?	Y	
	Papers		
8.5	Do reports to the audit committee communicate relevant information at the right frequency, time, and in a format that is effective?	Y	
8.6	Does the audit committee issue guidelines and/or a proforma concerning the format and content of the papers to be presented?	Y	
	Actions arising		
8.7	Are minutes prepared and circulated promptly to the appropriate people?	N	
8.8	Is a report on matters arising made and minuted at the audit committee's next meeting?	N	
8.9	Do action points indicate who is to perform what and by when?	N	