

APPENDIX A

South Holland - Governance and Audit Committee Self Assessment Checklist

Review Conducted 26 May 2016

No.	Priority	Issue	Yes	No	N/A	Comments/Actions
1. ESTABLISHMENT, OPERATION AND DUTIES						
Role and Remit						
1.1	1	Does the audit committee have written terms of reference?	√			Referenced in Part 3 of the Constitution
1.2	1	Do the terms of reference cover the core functions of an audit committee as identified in the CIPFA guidance?	√			
1.3	1	Are the terms of reference approved by the council and reviewed periodically?	√			No changes in 2015/16
1.4	1	Has the audit committee been provided with sufficient membership, authority and resources to perform its role effectively and independently?	√			
1.5	1	Can the audit committee access other committees and full council as necessary?	√			The committee minutes are reported to Council. Members also sit on scrutiny panels.
1.6	1	Does the authority's Annual Governance Statement include a description of the audit committee's establishment and activities?	√			
1.7	2	Does the audit committee periodically assess its own effectiveness?	√			
1.8	2	Does the audit committee make a formal annual report on its work and performance during the year to full council?		√		<i>Programme for introduction of a report to be agreed</i>
Membership, Induction and training						
1.9	1	Has the membership of the audit committee been formally agreed and a quorum set?	√			
1.10	1	Is the chair independent of the executive function?	√			
1.11	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?	√			

No.	Priority	Issue	Yes	No	N/A	Comments/Actions
1.12	1	Are new audit committee members provided with an appropriate induction?	√			There is an ongoing Members' Development Programme
1.13	1	Have all members skills and experiences been assessed and training given for identified gaps?	√			Training on finance matters was identified as a need and is being regularly carried out on specific topics.
1.14	1	Has each member declared his or her business interests?	√			Members are required to declare business interests in a centrally held register
1.15	2	Are members sufficiently independent of the other key committees of the council?	√			No member of the committee sits on Cabinet, although a number also have positions on the council's scrutiny panels
Meetings						
1.16	1	Does the audit committee meet regularly?	√			Scheduled to meet on four occasions each year
1.17	1	Do the terms of reference set out the frequency of meetings?		√		Committee reporting cycle is established and is flexible in respect of special or specific meetings which can be carried out as necessary through the year.
1.18	1	Does the audit committee calendar meet the authority's business needs, governance needs and the financial calendar?	√			
1.19	1	Are members attending meetings on a regular basis and if not, is appropriate action taken?	√			
1.20	1	Are meetings free and open without political influences being displayed?	√			
1.21	1	Does the authority's S151 officer or deputy attend all meetings?	√			
1.22	1	Does the audit committee have the benefit of attendance of appropriate officers at its meetings?	√			Attendance records have been reviewed and officers have provided the required level of support at all meetings.
INTERNAL CONTROL						
2.1	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 and Audit Regulations) including the review of the effectiveness of the system of internal audit?	√			Internal audit reports are reviewed regularly by the committee.
2.2	1	Does the audit committee have responsibility for review and approval of the Annual Governance Statement and does it consider it separately from the accounts?	√			Draft AGS to come to committee in July 2016 prior to final approval
2.3	1	Does the audit committee consider how meaningful the Annual Governance Statement is?	√			Standing Agenda item for discussion

No.	Priority	Issue	Yes	No	N/A	Comments/Actions
2.4	1	Does the audit committee satisfy itself that the system of internal control has operated effectively throughout the reporting period?	√			The committee receives regular reports from the Head of Audit and Risk Management
2.5	1	Has the audit committee considered how it integrates with other committees that may have responsibility for risk management?	√			The Audit Committee is responsible for receiving risk management reports.
2.6	1	Has the audit committee (with delegated responsibility) or the full council adopted "Managing the Risk of Fraud - Actions to Counter Fraud and Corruption?"	√			Policies updated accordingly
2.7	1	Does the audit committee ensure that the "Actions to Counter Fraud and Corruption" are being implemented?	√			When it reviews new/updated Counter Fraud Strategy and Whistleblowing Policy, plus new Audit Plans which do take account of such actions.
2.8	2	Is the audit committee made aware of the role of risk management in the preparation of the internal audit plan?	√			This is included in the report when the committee considers the internal audit plan.
2.9	2	Does the audit committee review the authority's strategic risk register at least annually?	√			The Committee receives quarterly risk governance reports and also the strategic risk register.
2.10	2	Does the audit committee monitor how the authority assesses its risk?	√			See 2.9
2.11	2	Do the audit committee's terms of reference include oversight of the risk management processes?	√			
FINANCIAL REPORTING AND REGULATORY MATTERS						
3.1	1	Is the audit committee's role in the consideration and/or approval of the annual accounts clearly defined?	√			Established in the terms of reference.
3.2	1	Does the audit committee consider specifically: - 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?	√			Draft changes agreed in February 2016 for accounting treatment. Narrative / presentations generally accepted as being understandable.
3.3	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 an other issues arising from the audit?	√			Received each September prior to the final approval of the annual statements of accounts

No.	Priority	Issue	Yes	No	N/A	Comments/Actions
3.4	1	Does the audit committee review management's letter of representation?	√			See 3.3
3.5	2	Does the audit committee annually review the accounting policies of the authority?	√			See 3.3
3.6	2	Does the audit committee gain an understanding of management's procedures for preparing the authority's annual accounts?	√			A pre-meeting is held to explain the processes used, and changes to regulations and policies prior to the committee formally reviewing the statements of accounts.
3.7	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?	√			Devolution agreement requires specific attention based on Leader briefings to date.

INTERNAL AUDIT

4.1	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?	√			Annual Audit planning reports taken to Committee in March each year.
4.2	1	Does internal audit have an appropriate reporting line to the audit committee?	√			As stated in the Audit Charter.
4.3	1	Does the audit committee receive periodic reports from the internal audit service including an annual report from the Head of Internal Audit?	√			Updates on progress against the annual plan and follow up of recommendations are presented each committee
4.4	1	Are follow-up audits by internal audit monitored by the audit committee and does the committee consider the adequacy of implementation of recommendations?	√			These are covered in the Head of Audit and Risk Management's regular progress reports to the committee
4.5	1	Does the audit committee hold periodic private discussions with the Head of Internal Audit?	√			Ad-hoc Meetings as necessary
4.6	1	Is there appropriate co-operation between the internal and external auditors?	√			Joint Working Protocol in place.
4.7	1	Does the audit committee review the adequacy of internal audit staffing and other resources?	√			See 4.1
4.8	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?	√			As part of the Annual Report and Opinion which incorporates the Review of the Effectiveness of Internal Audit, now against the Public Sector Internal Audit Standards
4.9	2	Are internal audit performance measures monitored by the audit committee?	√			As part of the above report.
4.10	2	Has the audit committee considered the information it wishes to receive from internal audit?	√			Established committee reporting cycle with a forward work programme as a standard agenda item.

No.	Priority	Issue	Yes	No	N/A	Comments/Actions
EXTERNAL AUDIT						
5.1	1	Do the external auditors present and discuss their audit plans and strategy with the audit committee (recognizing the statutory duties of external audit)?	√			
5.2	1	Does the audit committee hold periodic private discussions with the external auditor?	√			Ad-hoc Meetings as necessary
5.3	1	Does the audit committee review the external auditor's annual report to those charged with governance?	√			
5.4	1	Does the audit committee ensure that officers are monitoring action taken to implement external audit recommendations?	√			
5.5	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?	√			
5.6	1	Does the audit committee assess the performance of external audit?	√			External audit reports regularly to the committee giving members the opportunity to robustly challenge the performance of external audit.
5.7	1	Does the audit committee consider and approve the external audit fee?	√			
ADMINISTRATION						
Agenda administration						
6.1	1	Does the audit committee have a designated secretary from Committee/Member Services?	√			
6.2	1	Are agenda papers circulated in advance of meetings to allow adequate preparation by audit committee members?	√			
6.3	2	Are outline agendas planned one year ahead to cover issues on a cyclical basis?	√			Established committee reporting cycle with a forward work programme as a standard agenda item.
6.4	2	Are inputs for Any Other Business formally requested in advance from committee members, relevant officers, internal and external audit?	√			There is a standing item on the agenda which receives any Urgent Business

No.	Priority	Issue	Yes	No	N/A	Comments/Actions
Papers						
6.5	1	Do reports to the audit committee communicate relevant information at the right frequency, time, and in a format that is effective?	√			
6.6	2	Does the audit committee issue guidelines and/or a proforma concerning the format and content of the papers to be presented?	√			
Actions arising						
6.7	1	Are minutes prepared and circulated promptly to the appropriate people?	√			
6.8	1	Is a report on matters arising made and minuted at the audit committee's next meeting?	√			
6.9	1	Do action points indicate who is to perform what and by when?	√			