

## Audit and Risk Management Committee

## Self-Assessment Checklist

<b>ESTABLISHMENT OPERATION AND DUTIES</b>					
<b>Role and Remit</b>					
<b>Priority</b>	<b>Issue</b>	<b>Yes</b>	<b>No</b>	<b>N/a</b>	<b>Comments/action</b>
1	Does the audit committee have written Terms of Reference?	X			Members of the ARMC be requested to familiarise themselves with the documented Terms of Reference. <b>Action Plan Rec 11</b>
1	Do the terms of reference cover the core functions of the audit committee as identified in the CIPFA guidance?	X			
1	Are the terms of reference approved by the council and reviewed periodically?	X	X		Partial compliance - TOR are approved by Council, however they have not been reviewed recently. <b>Action Plan Rec: 2</b>
1	Has the audit committee been provided with sufficient membership, authority and resources to perform its role effectively and independently?	X			
1	Can the audit committee access other committees and full council as necessary?	X			
1	Does the authority's statement on internal control include a description of the audit committee's establishment and activities?	X			
2	Does the audit committee periodically assess its own effectiveness?	X			

Priority	Issue	Yes	No	N/a	Comments/action
2	Does the audit committee make a formal annual report on its work and performance during the year to full council?	X			
<b>Membership, induction and training</b>					
1	Has the membership of the audit committee been formally agreed and a quorum set?	X			
1	Is the chair independent of the executive function?	X			
1	Has the audit committee chair either previous knowledge of, or received appropriate training on, financial and risks management, accounting concepts and standards, and the regulatory regime?	X			
1	Are new audit committee members provided with an appropriate induction?	X			
1	Have all members' skills and experiences been assessed and training given for identified gaps?		X		Skills assessment is required for all Members of ARM and appropriate training should be designed and delivered to address identified gaps. <b>Action Plan Rec: 4</b>
1	Has each member declared his or her business interests?	X			
2	Are members sufficiently independent of the other key committees of the council?	X	X		Partial compliance - consider undertaking an exercise to review independence of all ARM Members. <b>Action Plan Rec: 3</b>
<b>Meetings</b>					
1	Does the audit committee meet regularly?	X			
1	Do the terms of reference set out the frequency of meetings?		X		TOR should identify frequency and schedule of meetings. <b>Action Plan Rec: 2</b>

Priority	Issue	Yes	No	N/a	Comments/action
1	Are agenda papers circulated in advance of meetings to allow adequate preparation by audit committee members?	X	X		Partial compliance – due to the timing of the current Members mail drop papers are not always received in time to allow adequate preparation. Consideration should be given to introducing a second mid week mail drop for Members. <b>Action Plan Rec: 5</b>
1	Does the audit committee calendar meet the authority's business needs, governance needs and the financial calendar?	X			
1	Are members attending meetings on a regular basis and if not, is appropriate action taken?	X			Not all Members regularly attend Committee briefings. <b>Action Plan Rec: 6</b>
1	Are meetings free and open without political influences being displayed?	X			
1	Does the authority's S151 officer or deputy attend all meetings?	X			
1	Does the audit committee have the benefit of attendance of appropriate officers at its meetings?	X			
<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?	X			
1	Does the committee have responsibility for review and approval of the SIC and does it consider it separately from accounts?	X			

Priority	Issue	Yes	No	N/a	Comments/action
1	Does the audit committee consider how meaningful the SIC (AGS) is ?	X	X		Partial compliance – there may be scope to provide Members with more detailed training in this area. <b>Action Plan Rec: 1</b>
1	Does the audit committee satisfy itself that the system of internal control has operated effectively throughout the reporting period?	X			
1	Has the audit committee considered how it integrates with other committees that may have responsibility for risk management?	X			
1	Has the audit committee (with delegated responsibility) or the full council adopted “Managing the Risk of Fraud – Actions to Counter Fraud and Corruption?”	X			
1	Is the audit committee made aware of the role of risk management in the preparation of the internal audit plan?	X	X		Partial compliance – ARM receive regular reports on this from IA, however there may be scope for more training for Members in this area. <b>Action Plan Rec: 1</b>
2	Does the audit committee review the authority’s strategic risk register at least annually?	X	X		Partial compliance – ARM receive reports on this, however there may be scope for more training for Members in this area. <b>Action Plan Rec: 1</b>
2	Does the audit committee monitor how the authority assesses its risk?	X	X		Partial compliance - ARM do receive reports on this, however there may be scope to improve arrangements in this area including the introduction of briefings/presentations by CO’s regarding the preparation of departmental risk registers etc <b>Action Plan Rec: 7</b>
2	Do the audit committee’s terms of reference include oversight of the risk management process?	X			

Priority	Issue	Yes	No	N/a	Comments/action
<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?	X			
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> </ul> the narrative aspects of reporting?	X			
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?	X			
1	Does the audit committee review management's letter of representation?	X			
2	Does the audit committee annually review the accounting policies of the authority?	X			
2	Does the audit committee gain an understanding of management's procedures for preparing the authority's annual accounts?	X			
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?		X		A more robust mechanism is required to ensure that Members are kept aware of developments in this area. <b>Action Plan Rec: 8</b>

Priority	Issue	Yes	No	N/a	Comments/action
<b>INTERNAL AUDIT</b>					
1	Does the audit committee approve, annually and in details, the internal audit strategic and annual plans including consideration of whether the scope of internal audit work addresses the authority's significant risks?	X			
1	Does internal audit have an appropriate reporting line to the audit committee?	X			
1	Does the audit committee receive periodic reports from the internal audit service including an annual report from the Head of Internal Audit?	X			
1	Are follow-up audits by internal audit monitored by the audit committee and does the committee consider the adequacy of implementation of recommendations?	X			
1	Does the audit committee hold periodic private discussions with the Head of Internal Audit?	X			
1	Is there appropriate cooperation between the internal and external auditors?	X			
1	Does the audit committee review the adequacy of internal audit staffing and other resources?	X			
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?	X			

Priority	Issue	Yes	No	N/a	Comments/action
2	Are internal audit performance measures monitored by the audit committee?	X			
2	Has the audit committee considered the information it wishes to receive from internal audit?	X			
<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)?	X			
1	Does the audit committee hold periodic private discussions with the external auditor?	X			
1	Does the audit committee review the external auditor's annual report to those charged with governance?	X			
1	Does the audit committee ensure that officers are monitoring action taken to implement external audit recommendations?	X			
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?	X			
1	Does the audit committee assess the performance of external audit?		X		Performance not currently evaluated, consideration should be given to the introduction of performance measures. <b>Action Plan Rec: 9</b>
1	Does the audit committee consider and approve the external audit fee?	X			

Priority	Issue	Yes	No	N/a	Comments/action
<b>ADMINISTRATION</b>					
<b>Agenda Management</b>					
1	Does the audit committee have a designated secretary from Committee/Member Services?	X			
1	Are agenda papers circulated in advance of meetings to allow adequate preparation by audit committee members?	X	X		Mostly, however the current system should be reviewed for effectiveness including the consideration of a second mid week mail drop for Members. <b>Action Plan Rec: 5</b>
2	Are outline agendas planned one year ahead to cover issues on cyclical basis?	X	X		Compliance - outline agendas are planned in advance, however the Chair is not currently involved in this process and has limited control over ARM agendas. <b>Action Plan Rec: 10</b>
2	Are inputs for Any Other Business formally requested in advance from committee members, relevant officers, internal and external audit?	X			
<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?	X			
2	Does the audit committee issue guidelines and/or a proforma concerning the format and content of the papers to be presented?	X			
<b>Actions arising</b>					
1	Are minutes prepared and circulated promptly to the appropriate people?	X			
1	Is a report on matters arising made and minuted at the audit committee's next meeting?	X			



<b>Priority</b>	<b>Issue</b>	<b>Yes</b>	<b>No</b>	<b>N/a</b>	<b>Comments/action</b>
1	Do action points indicate who is to perform what any by when?	X			

Completed By: Councillor Jim Crabtree  
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Date: March 2013