

Appendix 1 – Findings against the NAO “Audit Committee Self-Assessment Checklist”

Good Practice Principle	Description*	Conclusion	Recommended actions
1. The Role of the Audit Committee	The Audit Committee should support the Council and the Chief Finance Officer by reviewing the comprehensiveness of assurances in meeting the Council's assurance needs and reviewing the reliability and integrity of these assurances	Complies with most of the suggested good practice	The Audit Committee should formally review its effectiveness on an annual basis. That review should include consideration of whether its terms of reference need to be updated. Revised terms of reference have been written as part of this review and fed into the constitutional review process
2. Membership, Understanding, Independence, Objectivity and Understanding	The Audit Committee should be independent and objective, in addition, each member should have a good understanding of the objectives and priorities of the organisation and of their role as an Audit Committee member	Complies with some of the suggested good practice	That the review of the constitution should give due consideration to the optimal size of the Audit Committee being 8-12 members. That Group Leaders have regard to ensuring that duplication between Executive responsibilities and Audit Committee membership be minimised.

Good Practice Principle	Description*	Conclusion	Recommended actions
3. Skills	The Audit Committee should collectively possess an appropriate skills mix to perform its functions well	Complies with some of the suggested good practice	<p>That the review of the constitution give consideration to the composition of the Audit Committee including 1-2 independent appointments to bring additional financial skills.</p> <p>There should be two mandatory training sessions per year for all Audit Committee members to fit with the timetable for approval of the Annual Governance Statement and the Statement of Accounts to ensure that all members properly understand the role. Further awareness training and technical updates will be provided as part of a rolling programme in the committee meetings. Relevant CIPFA briefings on emerging issues will be circulated.</p>
4. Scope of work	The scope of the Audit Committee's work should be defined in its Terms of Reference and encompass all the assurance needs of the Council	Complies with all of the suggested good practice	None identified

Good Practice Principle	Description*	Conclusion	Recommended actions
	and Chief Finance Officer. Within this, the Audit Committee should have particular engagement with the work of Internal Audit, the work of the External Auditor, and Financial Reporting issues.		
5. Communication	The Audit Committee should ensure it has effective communication with the Council, the Head of Internal Audit, the External Auditor and other stakeholders.	Complies with most of the suggested good practice	Consideration was given to the Annual Report of the Audit Committee to Full Council be assurances based rather than activities based but it was felt that this duplicated the work of the Annual Governance Statement. No further action required.
The Role of the Chair	The Chair of the Audit Committee has particular responsibility for ensuring that the work of the Audit Committee is effective that the Committee is appropriately resourced, and that it is maintaining effective communication with stakeholders	Complies with most of the suggested good practice	None identified
Committee support	The Audit Committee should be provided with appropriate administrative support to enable	Complies with all of the suggested good practice (note	None identified

Good Practice Principle	Description*	Conclusion	Recommended actions
	it to be effective. This is more than a minute-taking function – it involves providing proactive support for the work of the Committee, and helping its members to be effective in their role.	provided both by Democratic Services and directly by the Head of Audit & Business Risk)	

* terminology adjusted for local government where appropriate