

Appendix A: Self-assessment of Good Practice

This appendix provides a high-level review that incorporates the key principles set out in CIPFA's published position statement and guidance (Audit Committees, Practical Guidance for Local Authorities, 2018).

Where an audit committee has a high degree of performance against the good practice principles, then it is an indicator that the committee is soundly based and has in place a knowledgeable membership. These are the essential factors in developing an effective audit committee.

A regular self-assessment can be used to support the planning of the audit committee work programme and training plans. It can also inform an annual report.

GOOD PRACTICE QUESTIONS		Yes	Partly	No
<i>Audit committee purpose and governance</i>				
1	Does the authority have a dedicated audit committee?	100%		
2	Does the audit committee report directly to full council? (applicable to local government only)	40%	60%	
3	Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's Position Statement?	100%		
4	Is the role and purpose of the audit committee understood and accepted across the authority?	80%	20%	
5	Does the audit committee provide support to the authority in meeting the requirements of good governance?	100%		
6	Are the arrangements to hold the committee to account for its performance operating satisfactorily?	80%	20%	
7	Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement?			
	• good governance	100%		
	• assurance framework, including partnerships and collaboration arrangements	100%		
	• internal audit	100%		
	• external audit	100%		
	• financial reporting	100%		
	• risk management	100%		
	• value for money or best value	100%		
	• counter fraud and corruption	100%		
	• supporting the ethical framework	100%		

GOOD PRACTICE QUESTIONS		Yes	Partly	No
Functions of the committee				
8	Is an annual evaluation undertaken to assess whether the committee is fulfilling its terms of reference and that adequate consideration has been given to all core areas?	100%		
9	Has the audit committee considered the wider areas identified in CIPFA's Position Statement and whether it would be appropriate for the committee to undertake them?	100%		
10	Where coverage of core areas has been found to be limited, are plans in place to address this?	100% (or N/A)		
11	Has the committee maintained its advisory role by not taking on any decision-making powers that are not in line with its core purpose?	100%		
Membership and support				
12	Has an effective audit committee structure and composition of the committee been selected? This should include: a) separation from the executive; b) an appropriate mix of knowledge and skills among the membership; c) a size of committee that is not unwieldy; and d) consideration has been given to the inclusion of at least one independent member (where it is not already a mandatory requirement).	100%		
13	Have independent members appointed to the committee been recruited in an open and transparent way and approved by the full council or as appropriate for the organisation?	100%		
14	Does the chair of the committee have appropriate knowledge and skills?	80%	20%	
15	Are arrangements in place to support the committee with briefings and training?	100%		
16	Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?	75%		25%
17	Does the committee have good working relations with key people and organisations, including external audit, internal audit and the CFO?	100%		
18	Is adequate secretariat and administrative support to the committee provided?	100%		

GOOD PRACTICE QUESTIONS		Yes	Partly	No
<i>Effectiveness of the committee</i>				
19	Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?	75%		25%
20	Are meetings effective with a good level of discussion and engagement from all the members?	100%		
21	Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?	100%		
22	Does the committee make recommendations for the improvement of governance, risk and control and are these acted on?	100%		
23	Has the committee evaluated whether and how it is adding value to the organisation?	60%	40%	
24	Does the committee have an action plan to improve any areas of weakness?	50%	25%	25%
25	Does the committee publish an annual report to account for its performance and explain its work?	100%		