

Appendix 1

Self-Assessment of Good Practice

This appendix provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement and this publication. 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 Question		Yes	Partly	No
<i>Audit committee purpose and governance</i>				
1	Does the authority have a dedicated audit committee?	√		
2	Does the audit committee report directly to full council?	√		
3	Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's Position Statement?	√		
4	Is the role and purpose of the audit committee understood and accepted across the authority?		√	
5	Does the audit committee provide support to the authority in meeting the requirements of good governance?	√		
6	Are the arrangements to hold the committee to account for its performance operating satisfactorily?	√		
7	Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement?			
	• Good governance	√		
	• Assurance framework, including partnerships and collaboration arrangements	√		
	• Internal Audit	√		

Good Practice Question		Yes	Partly	No
	<ul style="list-style-type: none"> External Audit 	√		
	<ul style="list-style-type: none"> Financial Reporting 	√		
	<ul style="list-style-type: none"> Risk Management 	√		
	<ul style="list-style-type: none"> Value for money or best value 	√		
	<ul style="list-style-type: none"> Counter-fraud and corruption 	√		
	<ul style="list-style-type: none"> Supporting the ethical framework 	√		
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?	√		
9	Has the audit committee considered the wider areas of CIPFA's Position Statement and whether it would be appropriate for the committee to undertake them?	√		
10	Where coverage of core areas has been found to be limited, are plans in place to address this?	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?	√		
<i>Membership and support</i>				
12	Has an effective audit committee structure and composition of the committee been selected? This should include:			
	<ul style="list-style-type: none"> Separation from the executive 	√		
	<ul style="list-style-type: none"> An appropriate mix of knowledge and skills among the membership 	√		
	<ul style="list-style-type: none"> A size of a committee that is not unwieldy 	√		
	<ul style="list-style-type: none"> Consideration has been given to the inclusion of at least one independent member (where it is not already a mandatory requirement). 	√		

Good Practice Question		Yes	Partly	No
13	Have independent members appointed to the committee been recruited in an open and transparent way and approved by the full council?	N/A		
14	Does the chair of the committee have appropriate knowledge and skills?	√		
15	Are arrangements in place to support the committee with briefings and training?	√		
16	Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory? (App C)	√		
17	Does the committee have good working relations with key people and organisations, including external audit, internal audit and the chief financial officer?	√		
18	Is adequate secretariat and administrative support to the committee provided?	√		
19	Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?	√		
20	Are meetings effective with a good level of discussion and engagement from all the members?	√		
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?	√		
22	Does the committee make recommendations for the improvement of governance, risk and control and are these acted on?	√		
23	Has the committee evaluated whether and how it is adding value to the organisation?	√		
24	Does the committee have an action plan to improve any areas of weakness?			
25	Does the committee publish an annual report to account for its performance and explain its work?	√		