

**2012/13 Performance & Audit Committee
Self-assessment checklist April 2013**

1 ESTABLISHMENT, OPERATION AND DUTIES						
(a)	Role and remit					
	Priority	Issue	Yes	No	N/a	Comments/action
i	1	Does the audit committee have written terms of reference?	yes			The Terms of Reference for the Performance & Audit (P&A) Committee are included in the Constitution of the Council and can be found under Article 6.
ii	1	Do the terms of reference cover the core functions of an audit committee as identified in the CIPFA guidance?	yes			The Specific Functions of the P&A Committee in section 6.3 of the Terms of Reference cover the core functions of an audit committee as identified in the CIPFA guidance.
iii	1	Are the terms of reference approved by the council and reviewed periodically?	yes			The Council's Constitution which includes the Terms of Reference of the P&A Committee is reviewed periodically. All amendments to the Constitution are approved by Full Council.
iv	1	Has the audit committee been provided with sufficient membership, authority and resources to perform its role effectively and independently?	yes			Membership of the P&A Committee is agreed at Full council. Authority & resources are determined in its Terms of Reference.
v	1	Can the audit committee access other committees and full council as necessary?	yes			Access is through the P&A Committee Chairman who accepts invitations to attend Cabinet meetings and is a member of the Scrutiny Committee.
vi	1	Does the authority's statement on internal control include a description of the audit committee's establishment and activities?	yes			The Statement of Internal Controls (SIC) was replaced by the Annual Governance Statement (AGS) in 2007/08. The AGS includes reference to the P&A Committee's establishment activities.
vii	2	Does the audit committee periodically assess its own effectiveness?	yes			The P&A Committee carried out the self-assessment of its effectiveness in April 2012 after its first year in existence. This will be an annual exercise to be carried out by the Chairman and P&A Committee members all of whom are invited to take part in the self-assessment exercise. The Committee has discussed its own methods of working during meetings.
viii	2	Does the audit committee make a formal annual report on its work and performance during the year to full council?	yes			The Chairman presented an annual report to Full Council in July 2012 on the work and performance of the P&A Committee during 2011/12 and will be reporting on its 2012/13 work to the Full Council meeting

						to be held in July 2013.
(b)	Membership, induction and training					
	Priority	Issue	Yes	No	N/a	Comments/action
i	1	Has the membership of the audit committee been formally agreed and a quorum set?	yes			The P&A Committee membership is agreed at the Annual Council meeting. The quorum is defined in the Constitution under PART 4, Rules of Procedure, Rule 7 - <i>The quorum of a meeting will be one quarter of the whole number of members or (in the case of a committee) three, whichever is the greater.</i>
ii	1	Is the chair independent of the executive function?	yes			The P&A Committee Chairman has no Cabinet responsibility and is not Chairman or Vice-Chairman of any other committee.
iii	1	Has the audit committee chair previous knowledge of, or received appropriate training on, financial and risk management, accounting concepts and standards, and the regulatory regime?	yes			The P&A Committee Chairman is a Chartered Company Secretary; a Fellow of the Institute of Company Secretaries and Administrators; Secretary to an Audit Committee of a PLC and Trustee of a Pension Scheme.
iv	1	Are new audit committee members provided with an appropriate induction?	yes			There was a comprehensive induction training provided for all members of the P&A Committee by the Assistant Chief Executive – Finance (ACE-FIN) and The Audit Commission (the then External Auditors). Update training has not been provided and it is considered that this is something that should be done on an annual basis. The ACE-FIN will be asked to provide some training during 2013/14.
v	1	Have all members' skills and experiences been assessed and training given for identified gaps?	yes			Members of the P&A Committee have a wide range of experience and skills from business, finance and other sectors. However it is felt that consideration should be given for a programme of training for members during 2012/13.
vi	1	Has each member declared his or her business interests?	yes			All members of the P&A Committee Business interests as they relate to the Council have been declared.
vii	2	Are members sufficiently independent of the other key committees of the council?	yes			All members of the P&A Committee are independent of Cabinet responsibility and none is a Chair of any other Committee.
(c)	Meetings					
	Priority	Issue	Yes	No	N/a	Comments/action
i	1	Does the audit committee meet regularly?	yes			During 2012/13 the P&A Committee met five times (May, August, September & November 2012 and February 2013).
ii	1	Do the terms of reference		no		The timetable of all cabinet and

		set out the frequency of meetings?			committee meetings is agreed by Full Council at its February meeting.
iii	1	Does the audit committee calendar meet the authority's business needs, governance needs and the financial calendar?	yes		<p>At its May 2012 meeting the P&A Committee approved the 2011/12 draft Annual Governance Statement and receives the Internal Audit Managers Annual Report & Opinion on the Council's overall control environment for the previous year. The 2012/13 draft AGS will be presented for approval at its May 2013 meeting</p> <p>At its September 2012 meeting the P&A Committee approved the Council's 2011/12 Statement of Accounts and the 2011/12 AGS.</p> <p>The P&A Committee receives regular Internal Audit Progress Reports and quarterly reports on Performance and Risk Management.</p>
iv	1	Are members attending meetings on a regular basis and if not, is appropriate action taken?	yes		There is generally a good attendance at P&A Committee meetings; the attendance at meetings has always met its quorate requirement.
v	1	Are meetings free and open without political influences being displayed?	yes		There are good debates and discussions around issues; where there are differences they are not down to political divisions.
vi	1	Does the authority's S151 officer or deputy attend all meetings?	yes		The Section 151 Officer (Stephen Joyce) attended all of the P&A Committee meetings in 2012/13. The Deputy Section 151 Officer (Margaret Donaldson) also attended the August and September 2012 meetings.
vii	1	Does the audit committee have the benefit of attendance of appropriate officers at its meetings?	yes		<p>The Section 151 Officer, Assistant Director of Corporate Services and the Internal Audit Manager are in regular attendance at P&A Committee meetings. During 2012/13 the Chief Executive attended the May, August and September 2012 meetings. Other Senior Officers have attended during the year to report on specific items to members.</p> <p>The External Auditors have been represented at all P&A Committee meetings during 2012/13 (Audit Commission in May August & September 2012; Ernst & Young in November 2012 and February 2013).</p>
2	INTERNAL CONTROL				

	Priority	Issue	Yes	No	N/a	Comments/action
i	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?	yes			This is contained in the Council's Annual governance Statement that was presented to the P&A Committee at its May 2012 meeting for approval.
ii	1	Does the audit committee have responsibility for review and approval of the SIC and does it consider it separately from the accounts?	yes			<p>From 2007-08 the Statement of Internal Control (SIC) has been replaced by the Annual Governance Statement (AGS).</p> <p>The Terms of Reference of P&A Committee include to oversee the production of the authority's Annual Governance Statement and to recommend its approval.</p> <p>The draft AGS 2011/12 was presented for approval as a standalone agenda item at the P&A Committee's May 2012 meeting. The final version of the AGS was presented for approval with the Statement of Accounts at the September 2012 meeting.</p> <p>The 2012/13 AGS and Statement of Accounts will be presented for approval to the September 2013 meeting.</p>
iii	1	Does the audit committee consider how meaningful the SIC is?	yes			The P&A Committee members are asked to consider the content of the AGS and are offered the opportunity to consider the changes from the previous year and to examine the evidence gathered in support of the AGS.
iv	1	Does the audit committee satisfy itself that the system of internal control has operated effectively throughout the reporting period?	yes			The P&A Committee has received regular progress reports throughout 2012/13 of Internal Audit work undertaken from the Internal Audit Programme including the recommendations that have been made and if they being are implemented within the agreed timescales. The P&A Committee also receives the Internal Audit Manager's Annual Report and Opinion in May of each year which itself feeds into the AGS.
v	1	Has the audit committee considered how it integrates with other committees that may have responsibility for risk management?	yes			The scope of the Terms of Reference of P&A Committee include to oversee the Council's risk functions and in its special function 6.3.12 <i>to monitor the effective development and operation of risk management and corporate governance</i>

					<p><i>in the Council.</i> The P&A Committee is the only committee with the defined responsibility for risk management.</p> <p>At its February 2103 the Full Council approved the Corporate Plan 2013/18 along with the new Corporate Risk Register 2013/14.</p>
vi	1	Has the audit committee (with delegated responsibility) or the full council adopted “Managing the Risk of Fraud – Actions to Counter Fraud and Corruption?”		no	<p>“Managing the Risk of Fraud – Actions to Counter Fraud and Corruption” is a 2006 CIPFA publication which has been superseded by newer publications.</p> <p>The Council is currently considering Counter Fraud actions being taken in line with more recent publications e.g. the Audit Commission’s Protecting the Public Purse (November 2012), Fighting Fraud Against Local Government (November 2011) and the National Fraud Authority’s Fighting Fraud Locally – the Local Government Fraud Strategy (April 2012).</p>
vii	1	Does the audit committee ensure that the “Actions to Counter Fraud and Corruption” are being implemented?		no	<p>The P&A Committee receives reports on Internal Audit Anti-Fraud and Corruption work and during 2013/14 will review revised and updated policies for Anti-Fraud & Corruption, Whistleblowing and the Bribery Act 2012</p>
viii	2	Is the audit committee made aware of the role of risk management in the preparation of the internal audit plan?	yes		<p>When presenting the Internal Audit Work Programmes for 2012/13 (Feb 2012) and 2013/14 (Feb 2013) to the P&A Committee, the Audit Manager informed members in her report that the audit work programme is risk based and with the highest priority being given to the Corporate & Directorate Plans and Risk Registers.</p> <p>This used of risk based auditing is further highlighted in the annual Internal Audit Strategy and Internal Audit Charter & Terms of Reference approved by members at the September meeting of the P&A Committee.</p>
ix	2	Does the audit committee review the authority’s strategic risk register at least annually?	yes		<p>The Council’s Corporate and Strategic Risk Register is reviewed quarterly by the P&A Committee.</p>
x	2	Does the audit committee monitor how the authority assesses its risk?	yes		<p>The P&A Committee monitors, comments on and makes recommendations for change – including requesting changes to the quarterly reporting format at its August meeting to include the previous quarter figures in order to demonstrate how the situation was changing over time.</p>

xi	2	Do the audit committee's terms of reference include oversight of the risk management process?	yes			The scope of the Terms of Reference of P&A Committee include to oversee the Council's risk functions and in its special functions 6.3.12 <i>to monitor the effective development and operation of risk management and corporate governance in the Council</i> . The P&A Committee is the only committee with the defined responsibility for risk management.
3	FINANCIAL REPORTING AND REGULATORY MATTERS					
	Priority	Issue	Yes	No	N/a	Comments/action
i	1	Is the audit committee's role in the consideration and/or approval of the annual accounts clearly defined?	yes			The Terms of Reference of P&A Committee include the review and approval of the annual statement of accounts for publication. Specifically to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
ii	1	Does the audit committee consider specifically: <ul style="list-style-type: none"> • 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? 	yes			The Statement of Accounts 2011/12 was presented for approval at the September 2012 meeting of the P&A Committee at which time members considered, asked questions and made comments on these elements if they arose.
iii	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?	yes			The September 2012 meeting of the P&A Committee was the scheduled meeting at which members received the Annual Governance Report from the External Auditor.
iv	1	Does the audit committee review management's letter of representation?	yes			The management's Letter of Representation was reviewed at the September 2012 meeting of the P&A Committee.
v	2	Does the audit committee annually review the accounting policies of the authority?	yes			The P&A Committee review any changes to accounting policies.
vi	2	Does the audit committee gain an understanding of	yes			The draft Statement of Accounts was published in June 2013 and reviewed by

		management's procedures for preparing the authority's annual accounts?				members at the August 2012 meeting of the P&A Committee at which time the Section 151 and Deputy Section 151 Officers explained the procedures adopted for preparing the authority's annual accounts and invited questions from members and offered the opportunity to discuss the accounts outside of the meeting if desired.
vii	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?	yes			<p>There are regular Members' Bulletins made available to all members although there is nothing specifically tailored for an audit committee.</p> <p>At the February 2013 P&A Committee meeting the new external auditor, Ernst & Young provided an Audit Committee Briefing which will become a regular item from them at future meetings. The previous external auditor, the Audit Commission, included similar information in their regular External Audit Progress Report at meetings.</p>
4	INTERNAL AUDIT					
	Priority	Issue	Yes	No	N/a	Comments/action
i	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?	yes			The Internal Audit Strategy and Charter & Terms of Reference are approved annually by the P&A Committee. The Internal Audit Programme for 2012/13 was noted by members at the February 2012 meeting of the P&A Committee. Members received updates on progress towards its completion and all reviews and revisions to the programme as part of the regular Internal Audit Progress Reports at subsequent meetings during 2012/13.
ii	1	Does internal audit have an appropriate reporting line to the audit committee?	yes			<p>The Internal Audit reporting line in detailed the Internal Audit charter & Terms of Reference. For day to day management issues, the Internal Audit Manager reports to the Assistant Chief Executive – Legal.</p> <p>The Internal Audit Manager is required to:</p> <ul style="list-style-type: none"> • Report at least annually to the Corporate Management Team and the P&A Committee • Have informal meetings with the Chairman of the P&A Committee • Report immediately on any matters of material concern to the Chairman of the P&A Committee • Report to each ordinary meeting of the P&A Committee
iii	1	Does the audit committee receive periodic reports	yes			The Internal Audit Charter and Terms of reference require the Audit Manager to

		from the internal audit service including an annual report from the Head of Internal Audit?				report at least annually Performance & Audit Committee on: <ul style="list-style-type: none"> • The Audit Strategy; • the Audit Charter and Terms of Reference; • the Audit Programme and resources; • Compliance with the CIPFA Code of Practice; and to provide a report Annual Report on Internal Audit performance and give an overall Audit opinion on authority's the internal controls. This was done at the May, August and September 2012 meeting of the P&A Committee.
iv	1	Are follow-up audits by internal audit monitored by the audit committee and does the committee consider the adequacy of implementation of recommendations?	yes			The Internal Audit Progress Report is presented at each ordinary meeting of the P&A Committee and includes details of work undertaken by Internal Audit since the previous report to the Committee and provides an update on new, implemented and outstanding internal audit recommendations.
v	1	Does the audit committee hold periodic private discussions with the Head of Internal Audit?	yes			The Internal Audit Manager and the P&A Committee Chairman have periodic private meetings. The Chairman will be recommending that in future the opportunity should be given for private discussion at the end of a P&A Committee meeting if there are any issues members want to raise with the Internal Audit Manager.
vi	1	Is there appropriate cooperation between the internal and external auditors?	yes			The Internal Audit Manager and the External Audit Manager hold quarterly meetings to discuss audit plans and review progress.
vii	1	Does the audit committee review the adequacy of internal audit staffing and other resources?	yes			At its August 2012 meeting the P&A Committee requested from the Internal Audit Manager a benchmarking exercise to look at Internal Audit resources; costs and audit coverage. The results of the exercise were reported back to members at its November 2012 meeting.
viii	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?	yes			This is considered by the P&A Committee at its May 2013 meeting when noting the Internal Audit Manager's Annual Report and Opinion.
ix	2	Are internal audit performance measures	yes			The Internal Audit Progress Report is presented at each ordinary meeting of the

		monitored by the audit committee?				P&A Committee and includes details of progress towards the Internal Audit performance measures. Year-end figures for 2011/12 were included in the Internal Audit Manager's Annual Report and Opinion presented to members at its May 2012 meeting and will be reported for 2012/13 at its May 2013 meeting.
x	2	Has the audit committee considered the information it wishes to receive from internal audit?	yes			When members of the P&A Committee have required any further information from Internal Audit, it has been requested and received either at a subsequent meeting or by e-mail from the Internal Audit Manager between meetings.
5	EXTERNAL AUDIT					
	Priority	Issue	Yes	No	N/a	Comments/action
i	1	Do the external auditors present and discuss their audit plans and strategy with the audit committee (recognizing the statutory duties of external audit)?	yes			The External Auditor's audit plan for 2012/13 was presented to P&A Committee members at its February 2013 meeting.
ii	1	Does the audit committee hold periodic private discussions with the external auditor?	yes			Private meeting are held through the Chairman with the External Auditor. The Chairman will be recommending that in future the opportunity should be given for private discussion at the end of a P&A Committee meeting if there are any issues members want to raise with the External Auditor.
iii	1	Does the audit committee review the external auditor's annual report to those charged with governance?	yes			The External Auditors 2011/12 Annual Audit Letter was presented to members at the November 2012 P&A Committee meeting. The 2012/13 Annual Audit Letter is expected to be presented at the November 2013 meeting.
iv	1	Does the audit committee ensure that officers are monitoring action taken to implement external audit recommendations?	yes			This has been done by the P&A Committee previously, but there were no recommendations in the 2011/12 Annual Audit Letter to be actioned.
v	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?	yes			In addition to the Annual Audit Letter presented to members at the November 2012 meeting of the P&A Committee the External Auditors presented a report on the Certification of Claims and Returns. The External Auditors also presented Progress Reports at the May and August 2013 meetings. There have not been any other agencies inspections during 2012/13.

vi	1	Does the audit committee assess the performance of external audit?	yes			The P&A Committee routinely review the work of the External Auditors at its meetings and are satisfied with its performance.
vii	1	Does the audit committee consider and approve the external audit fee?	yes			The External Audit Annual Fee letter 2012/13 was presented to the P&A Committee at its February 2013 meeting.
6	ADMINISTRATION					
(a)	Agenda management					
	Priority	Issue	Yes	No	N/a	Comments/action
i	1	Does the audit committee have a designated secretary from Committee/Member Services		no		There is no designated Democratic Services Officer for the P&A Committee. The Council operates a system of rotation of Democratic Services Officers who attend meetings.
ii	1	Are agenda papers circulated in advance of meetings to allow adequate preparation by audit committee members?	yes			It is laid down in the constitution in the Council's Procedure Rules that the summons to a meeting, agenda and accompanying reports should be sent to members at least five working days before a meeting.
iii	2	Are outline agendas planned one year ahead to cover issues on a cyclical basis?	yes			The P&A Committee has a routine timetable of reports that will be presented throughout the year.
iv	2	Are inputs for Any Other Business formally requested in advance from committee members, relevant officers, internal and external audit?		no		Only any issues the P&A Committee Chairman considers urgent will be considered under Any Other Business. There is no formal request for items however there are mechanisms in place by which members would be able to raise Any Other Business with the Chairman.
(b)	Papers					
	Priority	Issue	Yes	No	N/a	Comments/action
i	1	Do reports to the audit committee communicate relevant information at the right frequency, time, and in a format that is effective?	yes			The P&A Committee has routinely reviewed the content and format of reports presented to it
ii	2	Does the audit committee issue guidelines and/or a pro-forma concerning the format and content of the papers to be presented?	yes			The Council has a Committee Report pro-forma to be used for all reports to Committee. P&A Committee has reviewed and requested changes to appendices to reports relating to Performance Indicators, Risk Registers and Internal Audit Progress
(c)	Actions Arising					

	Priority	Issue	Yes	No	N/a	Comments/action
i	1	Are minutes prepared and circulated promptly to the appropriate people?	yes			P&A Committee minutes are circulated to members with the papers for the next meeting of the committee.
ii	1	Is a report on matters arising made and minuted at the audit committee's next meeting?	yes			These are standing items on the agenda for all P&A Committee meetings.
iii	1	Do action points indicate who is to perform what and by when?	yes			If there are any actions points they would be included in the minutes of P&A Committee meetings and would identify who is to perform what and by when.