

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

Good Practice Principle	Description*	Preliminary Conclusion	Key issues to explore
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	Should there be an agreed frequency for the Audit Committee to formally review its effectiveness? Should the Audit Committee's terms of reference be reviewed and updated annually?
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	Within the constraints of the council's constitution: How might the relationship between the Audit Committee and the Executive be enhanced? What might be the ideal number of members on the Audit Committee to ensure effectiveness?

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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>Within the constraints of the council's constitution:</p> <p>Should the Audit Committee broaden its skills mix through the appointment of independent members or co-optees?</p> <p>Should any elements of training and induction for members of the Audit Committee be mandatory and what style and format of training is most appropriate?</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 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.	Complies with all of the suggested good practice	None identified
5. Communication	The Audit Committee should ensure it has effective	Complies with most of the suggested	Should the Annual Report of the Audit Committee to Full Council be

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	communication with the Council, the Head of Internal Audit, the External Auditor and other stakeholders.	good practice	assurances based rather than activities based?
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	Should there be a more formal opportunity for members to consider agenda planning?
Committee support	The Audit Committee should be provided with appropriate administrative support to enable 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.	Complies with all of the suggested good practice (note provided both by Democratic Services and directly by the Head of Internal Audit)	None identified

* terminology adjusted for local government where appropriate