

ESTABLISHMENT, OPERATION AND DUTIES					
Role and remit					
Priority	Issue	Yes	No	N/A	Comments
1	Does the audit committee have written terms of reference?	Yes			Due for review in June 2008 after elections.
1	Do the terms of reference cover the core functions of an audit committee as identified in the CIPFA guidance?	Yes			Considered and implemented as part of the last review.
1	Are the terms of reference approved by the council and reviewed periodically?	Yes			Approved by Cabinet.
1	Has the audit committee been provided with sufficient membership, authority and resources to perform its role effectively and independently?	Yes			
1	Can the audit committee access other committees and full council as necessary?	Yes			
1	Does the authority's statement on internal control (SIC) include a description of the audit committee's establishment and activities? Note: SIC now replaced by the annual governance statement.	Yes			Referred to in SIC including establishment as a full committee. However, more detail can be included on the Audit Committee's activities.
2	Does the audit committee periodically assess its own effectiveness?	Yes			Was completed in February 2007 and will be again in March 2008.
2	Does the audit committee make a formal annual report on its work and performance during the year to full council?		No		Has not done to date – but is planned for 2007/08.
Membership, induction and training					
1	Has the membership of the audit committee been formally agreed and a quorum set?	Yes			
1	Is the chair independent of the executive function?	Yes			Chair is Cllr Ray Fisher who is not a Cabinet member.
1	Has the audit committee chair either previous knowledge of, or received appropriate training on, financial and risk management, accounting concepts and standards, and the regulatory regime?	Yes			Annual training planned in for June. Although Members disagree with the presumption that the Chair or any other member should be an audit expert.
1	Are new audit committee members provided with an appropriate induction?		No		Training was given when first set up and again last year. Annual training planned on for June.
1	Have all members' skills and experiences been assessed and training given for identified gaps?		No		Gap analysis to be done prior to training this year.
1	Has each member declared his or her business interests?	Yes			Requirement of all Members. Also requirement at the start of each meeting.
2	Are members sufficiently independent of the other key committees of the council?	Yes			Members agreed that its members should be 'disassociated' from key committees 'as far as possible' and felt that the current arrangements reflected that position. Also agreed that no Cabinet Member should be a member of the Audit Cmmttee.

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Meetings					
1	Does the audit committee meet regularly?	Yes			Current meets six times a year.
1	Do the terms of reference set out the frequency of meetings?		No		Only states that the Committee should 'meet frequently'. Terms of reference to be amended to make a reference to a minimum of 4 meetings each year To be held on a roughly quarterly basis). Additional meetings will be scheduled as necessary to accommodate the Authority's business needs.
1	Does the audit committee calendar meet the authority's business needs, governance needs and the financial calendar?	Yes			Timetable for 2007/08 prepared to align these requirements. 2008/09 timetable to be agreed by Audit Committee.
1	Are members attending meetings on a regular basis and if not, is appropriate action taken?	Yes			
1	Are meetings free and open without political influences being displayed?	Yes	No		Yes – free and open; political – no.
1	Does the authority's S151 officer or deputy attend all meetings?	Yes			S151 Officer attends meetings.
1	Does the audit committee have the benefit of attendance of appropriate officers at its meetings?	Yes			Relevant Group Directors/Directors attend.
Internal Control					
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? (Note: now replaced by the annual governance statement).	Yes			The review of the effectiveness of Internal Audit was first carried out in March 2007 and is scheduled for the April 2008 meeting of the Committee.
1	Does the audit committee have responsibility for review and approval of the SIC (now annual governance statement) and does it consider it separately from the accounts?	Yes			
1	Does the audit committee consider how meaningful the SIC (now annual governance statement) is?	Yes			
1	Does the audit committee satisfy itself that the system of internal control has operated effectively throughout the reporting period?	Yes			
	Has the audit committee considered how it integrates with other committees that may have responsibility for risk management?			N/A	The Audit Committee has responsibility for risk management.

Priority	Issue	Yes	No	N/A	Comments
1	Has the audit committee (with delegated responsibility) or the full council adopted "Managing the Risk of Fraud – Actions to Counter Fraud and Corruption?"	Yes			This was published late in 2006. The Council's Anti-Fraud and Corruption Strategy has been reviewed. The Cipfa publication is very onerous and the West of England Heads of IA group consider it unrealistic to meet all the requirements of the document.
1	Does the audit committee ensure that the "Actions to Counter Fraud and Corruption" are being implemented?	Yes			
2	Is the audit committee made aware of the role of risk management in the preparation of the internal audit plan?	Yes			A significant part of the Internal Audit plan is based on the Corporate and Group Directorate risk registers. Audit Committee approves the annual Internal Audit plan.
2	Does the audit committee review the authority's strategic risk register at least annually?	Yes			Risk Manager reports to the Audit Committee quarterly includes reference to strategic risk register.
2	Does the audit committee monitor how the authority assesses its risk?	Yes			
2	Do the audit committee's terms of reference include oversight of the risk management process?	Yes			
FINANCIAL REPORTING AND REGULATORY MATTERS					
1	Is the audit committee's role in the consideration and/or approval of the annual accounts clearly defined?	Yes			Annual accounts approved by Audit Committee.
1	Does the audit committee consider specifically: • 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 Committee felt that the Council's 'accounting treatments' were the S151 Officer's responsibility and that its role was more concerned with challenge and the monitoring of performance. It was suggested that the June training session should seek to advise members on key financial issues and systems, to assist members in challenging the statement of account at the end of June, and make a distinction between issues where the Council has some degree of control and influence and those that are primarily matters of compliance. The External Auditor commented that this aspect of the assessment questionnaire was concerned with ensuring that members who have a responsibility for the approval and adoption of accounts have sufficient understanding of those accounts and he felt that the manner in which reports are currently presented by the S151 Officer was a robust mechanism to meet this requirement.		

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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			
1	Does the audit committee review management's letter of representation?	Yes			External Audit's management letter is presented to and discussed at Audit Committee.
2	Does the audit committee annually review the accounting policies of the authority?	Yes			See above comments re. policies etc.
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			In so far as the professionals employed bring such issues to the members attention.
INTERNAL AUDIT					
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 Audit Committee approves the Annual Audit Plan. Approval of the strategy will be included in a future committee meeting.
1	Does internal audit have an appropriate reporting line to the audit committee?	Yes			Direct to Audit Committee. Head of Internal Audit also has access to Chair of Audit Committee if required.
1	Does the audit committee receive periodic reports from the internal audit service including an annual report from the Head of Internal Audit?	Yes			Head of Internal Audit provides an update at each Audit Committee meeting. Head of Internal Audit's Annual report is also presented to Audit Committee.
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			Results of follow up audits would be reported to Audit Committee. Responsible officers can be called in by Audit Committee to explain progress with implementing internal audit recommendations.
1	Does the audit committee hold periodic private discussions with the Head of Internal Audit?	Yes			Members are aware of this option and if felt it is needed will do so.
1	Is there appropriate cooperation between the internal and external auditors?	Yes			Yes with Robson Rhodes however need to develop relationship with new External Auditors i.e. the Audit Commission.
1	Does the audit committee review the adequacy of internal audit staffing and other resources?	Yes			Internal Audit is members of the Cipfa Benchmarking club. Benchmarking report presented to Audit Committee.

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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 covered by External Audit's annual review of Internal Audit. Any issues highlighted by External Audit would be reported to the Audit Committee.
2	Are internal audit performance measures monitored by the audit committee?	Yes			Performance against plan is reported to Audit Committee. However, Members may wish to consider whether they would like more performance information provided.
2	Has the audit committee considered the information it wishes to receive from internal audit?	Yes			Included in terms of reference.
EXTERNAL AUDIT					
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			External Audit's plan is presented to Audit Committee.
1	Does the audit committee hold periodic private discussions with the external auditor?	Yes			See comment re. Internal Audit.
1	Does the audit committee review the external auditor's annual report to those charged with governance?	Yes			External Auditor's report presented to Audit Committee.
1	Does the audit committee ensure that officers are monitoring action taken to implement external audit recommendations?	Yes			There have been a number of report requests that have been implemented.
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			Yes for External Audit i.e. annual audit and inspection letter. However, limited reporting of other inspection agencies i.e. Joint Area Review etc.
1	Does the audit committee assess the performance of external audit?		No		But being considered for 2008/09.
1	Does the audit committee consider and approve the external audit fee?	Yes			This is included in the External Audit's plan that is presented to Audit Committee.
ADMINISTRATION					
Agenda management					
1	Does the audit committee have a designated secretary from Committee/Member Services?	Yes			Stephen Jones (Senior Committee Clerk).
1	Are agenda papers circulated in advance of meetings to allow adequate preparation by audit committee members?	Yes			Within prescribed timescales.
2	Are outline agendas planned one year ahead to cover issues on a cyclical basis?	Yes			Outline agenda submitted with terms of reference approved in 2007. Timetable for 2008/09 will be an agenda item for a future Committee meeting.
2	Are inputs for Any Other Business formally requested in advance from committee members, relevant officers, internal and external audit?	Yes			Ad-hoc.

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Papers					
1	Do reports to the audit committee communicate relevant information at the right frequency, time, and in a format that is effective?	Yes			
2	Does the audit committee issue guidelines and/or a proforma concerning the format and content of the papers to be presented?	Yes			Papers are in the Council approved format.
Actions Arising					
1	Are minutes prepared and circulated promptly to the appropriate people?	Yes			
1	Is a report on matters arising made and minuted at the audit committee's next meeting?	Yes			
1	Do action points indicate who is to perform what and by when?	Yes			