

## Appendix A

# Audit Committee self-assessment checklist 2014/15

This checklist is taken from the National Audit Office template, which uses criteria derived largely from the Audit Committee Handbook published by HM Treasury.

The Handbook highlights five good practice principles which aim to answer the following key principles:

- Principle 1: The Role of the Audit committee
- Principle 2: Membership, Independence, Objectivity and Understanding
- Principle 3: Skills
- Principle 4: Scope of Work
- Principle 5: Communication

The questions in Section 1 of this checklist are designed to help Audit Committees conclude whether they are meeting these principles. Sections 2 and 3 include questions on the role of the Chair and secretariat support respectively.

The checklist has been completed using responses from the Audit and Assurance Committee non-Executive Director members.

An Action Plan has been created to address the issues arising as part of the self-assessment process, and is attached as Appendix 1 to this report.

## Section 1

### Good practice principles for Audit Committees

#### Principle 1: The role of the Audit Committee

The Audit Committee should support the Board and the Accounting Officer by reviewing the comprehensiveness of assurances in meeting the Board and Accounting Officer's assurance needs and reviewing the reliability and integrity of these assurances.

#### Good Practice Questions

Terms of Reference	Yes	No	N/A
1. Have all executive responsibilities and making or endorsing of decisions been excluded from the roles and responsibilities of the Audit Committee members?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

		Yes	No	N/A
2.	Does the Audit Committee follow up recommendations regarding its effectiveness?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	Does the Audit Committee's role include monitoring and reviewing the executive's processes for assessing, reporting and owning business risks and their financial implications?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	Has the role and responsibilities of the Audit Committee been clearly defined and communicated to all Audit Committee members, along with details of how the Committee supports the Board?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	Are the Terms of Reference reviewed at least annually by the Board and the Audit Committee, to ensure that the work of the Audit Committee is aligned with good practice and business needs?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.	Do the Terms of Reference include rules for a quorum?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	Does the Audit Committee meet regularly (at least four times a year) and do meetings coincide with key dates in the financial reporting and audit cycle?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Additional Comments:**

*The covering of risk is still not as clear as it could be and is not yet happening with the rigour and frequency that I think is appropriate.*

**Conclusions:**

**Do we achieve Principle 1: The Role of the Audit Committee – Does the Audit Committee support effectively the Board and the Accounting Officer by reviewing the comprehensiveness of assurances to satisfy their needs and by reviewing the reliability and integrity of these assurances?**

Yes, although further work is needed in coordinating the work of the other Board sub-committees (Finance and Quality)

**What do we need to do to enhance the Audit Committee?**

*On-going work with the Finance Committees and the Quality Committees to maintain the governance framework.*

**Where we have carried out the self-assessment before, the audit committee has improved its performance against:**

- 1  None of the good practice questions
- 2  Some of the good practice questions
- 3  Most, if not all of the good practice questions

## Principle 2: Membership, 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.

### Good Practice Questions

	Yes	No	N/A
<b>Independence</b>			
8. Is the Chair of the Audit Committee different from the Chair of the Board?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Are the Audit Committee members either Independent non-executive Board members or independent external members, and have they been appointed for an appropriate period of time (e.g. three years)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Relationship with the Executive</b>			
10. Are the Executive members of the organisation invited to attend Audit Committee meetings, participate in discussions and provide information to the Audit Committee as and when the Audit Committee deems it necessary?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Other Participants</b>			
11. Where appropriate, does a representative from the sponsoring body attend the Audit Committee meetings (e.g. if an Executive Agency, does a member of the Sponsoring Department attend the meeting)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Does the Accounting Officer, Finance Director, Head of Internal Audit and the External Auditor routinely attend the Audit Committee, or attend at the request of the Audit Committee members?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Are the numbers attending the Audit Committee meetings sufficient to deal adequately with the agenda, but not too many blur issues?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Conflict of Interest</b>			
14. Is the first agenda item of every meeting a request for the Audit Committee members to declare any potential conflict of interest with any of the business items on the Audit Committee agenda?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. In instances where there is a declaration of interest in any of the agenda business items, are appropriate actions taken e.g. is the member asked to leave the meeting while the business item is being discussed?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
16. In instances where the conflict of interest is likely to last for a long time, has the Audit Committee member been asked to relinquish his or her membership?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Yes	No	N/A
17. Are the Audit Committee members required to declare their interest in a register of interests?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Terms of Appointment

18. Do all Audit Committee members have a clear understanding of what is expected of them in their role, set out in a letter of appointment, including:			
a. Their appointment and purpose;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. The support and training that they will receive;	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. The commitment required;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Their remuneration;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Conflict of interest procedures;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Expected Conduct;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. Duration of appointment and how often it may be renewed;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h. How their individual performance will be appraised, including a clear understanding of what would be regarded as unsatisfactory performance; and	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i. Termination conditions;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Additional Comments

*For Q18, I have had a letter of appointment as a member of the Trust Board but not specifically for Audit Committee.*

### Conclusions

**Do we achieve Principle 2: Membership, Independence, Objectivity and Understanding – Is the Audit Committee suitably independent and objective, and does each member have a good understanding of the objectives, priorities and risks of the organisations, and their role on the Audit Committee?**

*The Audit Committee is able to demonstrate its independence*

**What do we need to do to enhance the Audit Committee?**

*No suggestions*

**Where we have carried out the self-assessment before, the audit committee has improved its performance against:**

- 1  none of the good practice questions
- 2  some of the good practice questions
- 3  most, if not all the good practice questions

### **Principle 3: Skills**

The Audit Committee should collectively possess an appropriate skills mix to perform its functions well.

#### **Good Practice Questions**

<b>Range of Skills</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>
19. Are there formal assessment criteria for the appointment of the Audit Chair, including attitudes to non-executives, strength of personality, experience of chairing and time commitment?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. Do the assessment criteria of Committee members include or expect Audit Committee members to acquire as soon as possible after appointment:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a. Understanding of the objectives of the organisation and current significant issues for the organisation;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Understanding of the organisations structure including key relationships such as that with a sponsoring department or major partner;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Understanding the organisations culture;			
d. Understanding of any relevant legislation or other rules governing the organisation; and	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Broad understanding of the government environment, particularly accountability structures and current major initiatives?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Does the Audit Committee ensure that there are areas of collective understanding including:			
a. accountancy – with at least one member having recent and relevant financial experience;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. governance, assurance and risk management;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. audit;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Yes	No	N/A
d. technical or specialist issues pertinent to the organisations business;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. experience of managing similar sized organisations;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. understanding of the wider environments in which the organisation operates; and	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. detailed understanding of the government environment and accountability structures?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Additional Skills

22. Do the Audit Committee members feel empowered to:
- a. co-opt members for a period of less than one year to provide specialist skills that the members do not have to be an effective Committee;
- b. procure specialist advice at reasonable approved expense to the organisation, on an ad-hoc basis to support them in relations to particular pieces of Committee business.

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Training and Development

23. Is there an inductions checklist for new Audit Committee members details key things that they must do, e.g. visits to important business locations, meetings with Board, Risk Manager, Internal Audit and External Auditors?
24. Do all new members of the Audit Committee attend an induction Course for Audit Committee members run by the National School of Government, or other sector-related organisation?
25. Does the Audit Committee ensure that new members have sufficient knowledge of the business to identify the key risk areas and to challenge both line management and internal and external auditors on critical and sensitive issues?
26. Does the Audit Committee and the Chair make recommendations to the Board on the Committees and individual members training needs?
27. Does the Audit committee keep abreast of best practice and developments in corporate governance in central government and more widely?

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

### Additional Comments

*I am not aware of the assessment criteria for the Chair. I believe there would be benefit in more training for an effective role in the Audit Committee.*

## Conclusions

**Do we achieve Principle 3: Skills – Does the Audit Committee contain or have at its disposal an appropriate mix of skills to perform its functions well?**

*The Current AC is able to demonstrate a good mix of skills to represent the Board*

**What do we need to do to enhance the Audit Committee?**

*Ensure appropriate training is in place.*

**Where we have carried out the self-assessment before, the audit committee has improved its performance against:**

- 1  none of the good practice questions
- 2  some of the good practice questions
- 3  most, if not all of the good practice questions

## Principle 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 Board and Accounting Officer. Within this, the Audit Committee should have particular engagement with the work of Internal Audit, the work of External Auditor and Financial Reporting Issues.

### Good Practice Questions

Relationship with Internal Audit	Yes	No	N/A
28. Does the Audit Committee consider the independence and Effectiveness of Internal Audit?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29. Does the Audit Committee consider that the experience, expertise and professional standard of the Internal Audit Team are appropriate for the size, complexity and inherent risk of the organisation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
30. Does the Audit Committee consider that the scope of Internal Audit work, the available resources at its disposal and their access to information and people allow it to address significant risks within the organisation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
31. Does the Audit Committee review and approve the Internal Audit plan before they commence any work and make suggestions Regarding risk and problem areas that the audit could address in The short and long term?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Yes	No	N/A
32. Does the Audit Committee receive regular progress reports on studies / work undertaken by Internal Audit?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
33. Does the Audit Committee review internal audit reports and management responses to issues raised and monitor the progress made on Internal Audit's recommendations?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### Relationship with External Audit

34. Where relevant, does the Audit Committee consider the Independence, objectivity and effectiveness of the External Auditors?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
35. Does the Audit Committee periodically obtain the views of the External Auditor on the work and effectiveness of the Audit Committee?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
36. Is the Audit Committee informed by the External Auditors on an annual basis as to their quality control procedures and compliance with applicable UK ethics guidance?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
37. Does the Audit Committee consider the External Auditor's Audit Strategy before they commence work and make suggestions Regarding risk and problem areas the audit could address in the short and long term?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
38. Do the External Auditors inform the Audit Committee of key developments and issues at key stages of the audit?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
39. Where relevant, does the Audit Committee review the audit fees?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
40. Does the Audit Committee consider the management letter and other relevant reports (e.g. the NAO's Value for Money work) and the management's response and monitor the progress made on the recommendations?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### Relationship between Internal and External Auditors

41. Does the Audit Committee consider whether there are areas where joint working between Internal Audit and the External Auditors would be beneficial?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
42. Does the Audit Committee seek confirmation from Internal Audit and the External Auditors on the effectiveness of the relationship?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### Fraud

43. Does the Audit Committee consider whether effective anti-fraud and corruption policies and procedures are in place and operating effectively?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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		<b>Yes</b>	<b>No</b>	<b>N/A</b>
44.	Does the Audit Committee consider whether there is a code of conduct and its distribution to employees?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

45.	Does the Audit Committee consider whether management arrangements for whistle-blowing are satisfactory?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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### **Internal Control**

46.	Does the Audit Committee consider whether corporate governance is embedded throughout the organisations, rather than treated as a compliance exercise?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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47.	Does the Audit Committee consider whether the system of internal reporting gives early warning of control failures and emerging risks?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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48.	Does the Audit Committee consider whether the Governance Statement is sufficiently comprehensive and meaningful and the evidence that underpins it?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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49.	Does the Audit Committee satisfy itself that the system of internal control has operated effectively throughout the reporting period?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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50.	Does the Audit Committee consider whether financial control, including the structure of delegations, enables the organisation to achieve its objectives and achieve good value for money?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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51.	Does the Audit Committee monitor whether the organisation's procedures for identifying and managing business risk have regard the relevant legislation and regulation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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### **Financial Reporting**

52.	Does the Audit Committee review the first draft of the annual accounts before the External Auditors start work on them?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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53.	Before the Accounting Officer signs off the Annual Report and Financial Statements, does the Audit Committee consider:			
	a. that the accounting policies in place comply with relevant requirements, particularly Treasury's Financial Reporting Manual and Accounts Direction;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	b. that there has been a robust process in preparing the accounts and annual report;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	c. whether the accounts and annual report have been subjected to sufficient review by management and by the Accounting Officer and / or Board;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	d. that when new or novel accounting treatments arise, whether appropriate advice on accounting treatment has been taken;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Yes	No	N/A
e. whether there is an appropriate anti-fraud policy in place, and whether losses are suitably recorded;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. whether suitable processes are in place to ensure accurate financial records are kept;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. whether suitable processes are in place to ensure regularity and propriety is achieved; and	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h. whether issues raised by External Auditors have been given appropriate attention.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
54. Where the accounts have been qualified, does the Audit Committee consider the action taken by the Board to deal with the causes of the qualification?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
55. Does the Audit Committee satisfy itself that the annual financial statements represent fairly the financial position of the organisation, regardless of the pressures on executive management?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
56. Before the Accounting Officer signs off the Letter of Representation, does the Audit Committee review it and give particular attention to non-standard issues of representation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Additional Comments:**

*None*

**Conclusions**

**Do we achieve Principle 4: Scope of Work – Is the scope of the Audit Committee suitably defined, and does it encompass all the assurance needs of the Board and Accounting Officer?**

*Good evidence that scope is adequately defined*

**What do we need to do to enhance the Audit Committee?**

*No suggestions*

**Where we have carried out the self-assessment before, the audit committee has improved its performance against:**

- 1  none of the good practice questions
- 2  some of the good practice questions
- 3  most, if not all of the good practice questions

## Principle 5: Communication

The Audit Committee should ensure it has effective communication with the Board, the Head of Internal Audit, the External Auditor and other stakeholders.

### Good Practice Questions

Reporting to the Board	Yes	No	N/A
57. Does the Audit Committee send regular reports or provide Oral updates to the Board that they review at their meetings?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
58. Does the Audit Committee provide an Annual Report to the Board, timed to support preparation of the Governance Statement?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
59. Does the Annual Report of the Audit Committee present the Committees opinion about:			
a. the comprehensiveness of assurances in meeting the Board and Accounting Officer's needs	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. the reliability and integrity of these assurances	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. whether the assurance available is sufficient to support the Board and Accounting Officer in their decisions taken and their Accountability obligations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. the implication of these assurances for the overall management of risk	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. any issues the Audit Committee considers pertinent to the Governance Statement, and any long-term issues the Committee thinks the Board and / or Accounting Officer should give attention to	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f. financial reporting for the year	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g. the quality of both Internal and External Audit in their approach to their responsibilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
h. the Audit Committee's view of its own effectiveness, including advice on ways in which it considers it needs to be strengthened or developed	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

### Additional Comments:

*I'm not aware that the Audit Committee produces an annual report.*

## Conclusions:

**Do we achieve Principle 5: Communications – Does the Committee engage effectively with Financial and Performance Reporting issues, and with the work of internal and external audit?**

*Achieved*

**Does the Audit Committee communicate effectively with the Accounting Officer, the Board and the other stakeholders?**

*Satisfactory*

**What do we need to do to enhance the Audit Committee?**

*An area for improvement is the production of a written annual report to the Board on the work of the Audit and Assurance Committee.*

*Consider the production of an annual report of the Audit Committee.*

**Where we have carried out the self-assessment before, the audit committee has improved its performance against:**

- 1  none of the good practice questions
- 2  some of the good practice questions
- 3  most, if not all of the good practice questions.

## Section 2

### The role of the Chair: Good Practice

The Chair of the Audit Committee has particular responsibility for ensure that the work of the Audit Committee is effective, that the Committee is appropriately resourced, and that it is maintain effective communication with stakeholders.

#### Good Practice Questions

<b>Agenda Setting</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>
60. Is the Board Secretary different from the audit Committee Secretary?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
61. Does the Chair of the Audit Committee meet with the Committee Secretary before every meeting to discuss and agree the business for the meeting?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
62. Are inputs on Any Other Business formally requested in advance from Committee members and attendees?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Yes	No	N/A
63. Are outline agendas planned one year ahead to cover core activities and specific issues on a cyclical basis?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
64. Does the agenda exclude executive business, so that there is no overlap with the work of the Board whilst linking to the main elements of the organisation's business?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
65. Are the meetings set for a length of time which allows all business to be conducted, yet not so long that the meeting becomes ineffective?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
66. Does the Chair encourage full and open discussion and invite Questions at the Audit Committee meetings?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Communication

67. Does the Chair of the Audit Committee have open lines of communication with the Board, Head of Internal Audit and the External Auditors?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
68. Does the Chair encourage all Committee members to have regular interface with the organisation and its activities to help them understand the organisation, its objectives and business needs / priorities?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
69. Do reports of the Audit Committee communication relevant information at the right frequency, time and in a format that is effective?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
70. Does the Audit Committee issue guidelines concerning the format and content of the papers to be presented to the Committee?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

### Monitoring Actions

71. Does the Chair or the Secretariat ensure that all action points from Committee meetings are appropriately acted upon?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
72. Does the Chair or the Secretariat ensure that members who have missed a meeting are appropriately briefed on the business conducted in their absence?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
73. Is a report on matters arising made and minuted at the Audit Committee's next meeting?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Appraisal

74. Does the Chair ensure that the Committee members are provided with an appropriate appraisal of their performance as a Committee Member?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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		Yes	No	N/A
75.	Does the Audit Committee Chair seek appraisal of their personal performance from the Accounting Officer or Chair of the Board?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
76.	Are Audit Committee meetings well attended, with records of attendance maintained and reviewed annually by the Board?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Appointments

77.	Is the Chair involved in the appointment of new Committee members, including providing advice on the skills and experience required of the new individual?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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### Additional Comments:

*Appraisal is part of the NED appraisal. No separate appraisal of Audit Committee members, all of whom are NEDs.*

### Conclusions:

**Do we meet Good Practice: The Role of the Chair – Is the Committee appropriately resourced, work planned in advance as far as possible, and effective communication with stakeholders maintained?**

*Achieved*

### What do we need to do to enhance the Audit Committee?

*Ensure that we are appraised specifically on our role as Audit Committee members as part of NED appraisal.*

**Where we have carried out the self-assessment before, the audit committee has improved its performance against:**

- 1  none of the good practice questions
- 2  some of the good practice questions
- 3  most, if not all of the good practice questions.

# Section 3

## Committee Support: Good Practice

The Audit Committee should be provided with appropriate Secretariat 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.

### Good Practice Questions

<b>Does the Audit Committee Secretariat:</b>		<b>Yes</b>	<b>No</b>	<b>N/A</b>
78.	Commission papers are necessary to support agenda items?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
79.	Circulate meeting documents to all Committee members, Internal Audit and External Auditors in good time before each meeting, to allow members time to study and understand the information e.g. at least one week before the meeting?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
80.	Arrange for Executives / Senior Management to be available as necessary to discuss specific agenda items with the Audit Committee during meetings?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
81.	Keep records of meetings and minutes after they have been Approved by the Audit Chair and circulate them to Committee members, Head of Internal Audit, External Auditors, Board and the Accounting Officer on a timely basis e.g. within one week of the meeting?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
82.	Ask for confirmation that the minutes are a true and fair representation of a summary of the business taken by the Audit Committee?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
83.	Ensure that the minutes clearly state all agreed actions, the responsible owner, when they will be done by and any advice given from any stakeholders?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
84.	Ensure action points are being taken forward between meetings?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
85.	Support the Chair in the preparation of Audit Committee reports to the Board?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
86.	Arrange the Chair's bilateral meetings with:			
	a. The Accounting Officer, the Head of Internal Audit, Director of the External Auditors;	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	b. the Chair of the Board of Sponsored NDPB's;	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

	Yes	No	N/A
87. Keep the Chair and members in touch with developments and relevant background information about developments in the organisation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
88. Maintain a record of when members' terms of appointment are due for renewal or termination?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
89. Ensure that appropriate appointment processes are initiated when required?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Additional Comments:**

*None*

**Conclusions:**

**Do we meet Good Practice: Support for the Committee – Does the Committee receive appropriate support from its secretariat?**

**Excellent secretarial support is received**

**What do we need to do to enhance the Audit Committee?**

*No suggestions*

**Where we have carried out the self-assessment before, the audit committee has improved its performance against:**

- 1  none of the good practice questions
- 2  some of the good practice questions
- 3  most, if not all of the good practice questions



# Action Plan

Checklist section	Comment / issue	Action	Timescale for completion	Responsibility	Progress
Principle 1: The role of the Audit Committee	The covering of risk is still not as clear as it could be and is not yet happening with the rigour and frequency that I think is appropriate	Further discussion required with PM and NG. Also timing of meetings to be considered by KR	September 2015	A&AC Chair	
Principle 1: The role of the Audit Committee	On-going work with the Finance Committees and the Quality Committees to maintain the governance framework	As above	September 2015	A&AC Chair	
Principle 2: Membership, Independence, Objectivity and Understanding	For Q18, I have had a letter of appointment as a member of the Trust Board but not specifically for Audit Committee	Discussion required with HR ( I am not sure this is needed RAD)	September 2015	A&AC Chair	
Principle 3: Skills	I am not aware of the assessment criteria for the Chair. I believe there would be benefit in more training for an effective role in the Audit Committee	Ensure appropriate training is in place	2015-16 on-going	A&AC Chair	
Principle 5: Communication	An area for improvement is the production of a written annual report to the Board on the work of the Audit and Assurance Committee	Ensure completion and submission to July A&AC meeting annually	July 2015 A&AC meeting	A&AC Chair	
The role of the Chair: Good Practice	Appraisal is part of the NED appraisal. No separate appraisal of Audit Committee members, all of whom are NEDs	Ensure that we are appraised specifically on our role as Audit Committee members as part of NED appraisal			