### AUDIT COMMITTEE CHECKLIST

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Auditee:** |  | **Reviewed by:** | **Name** | **Rank** | **Date** |
| **Period end:** |  | **Level 1** |  |  |  |
| **Prepared by:** |  | **Level 2** |  |  |  |
| **Rank:** |  | **Level 3** |  |  |  |
| **Date:** |  |  |  |  |  |

| **AREAS FOR CONSIDERATION** | **Result Yes/No** | **Record of work done** | **Wp. Ref** |
| --- | --- | --- | --- |
|  | Note all applicable legislative requirements relating to audit committees. |  |  |  |
| 1. | Confirm whether the entity has an audit committee. *(If no audit committee has been or are in the process of being established, do not continue with the questionnaire. If the entity are in the process of establishing an audit committee, confirm that the aspects in the questions below have been considered)* |  |  |  |
| 2. | Confirm that the audit committee has a documented and approved terms of reference making provision for the: * Membership of the committee;
* Attendance and frequency of meetings;
* Roles and responsibilities;
* Reporting procedures and responsibilities.
 |  |  |  |
| 3. | Inspect the terms of reference and confirm that the following roles and responsibilities are provided for: |  |  |  |
| 3.1 | Understand and assess the overall risks the entity is facing. |  |  |  |
| 3.2 | Review the adequacy of internal controls management has put in place regarding financial control, accounting systems and reporting. |  |  |  |
| 3.3 | Review the entity’s compliance with all relevant legislation and statutory requirements. |  |  |  |
| 3.4 | Approving the internal audit charter. |  |  |  |
| 3.5 | Review of the interim (half-year) and annual financial statements. |  |  |  |
| 3.6 | Regular communication with the external auditors and the review of management letter and other reports. |  |  |  |
| 3.7 | Review of any significant findings of internal investigations and management response thereto, including the reports of internal audit. |  |  |  |
| 3.8 | Oversee the proper functioning of internal audit in terms of resources, standing within the entity; and adequacy of audit programs. |  |  |  |
| 3.9 | Confirm whether there are mechanisms in place to hold the audit committee accountable to the oversight body for its performance. |  |  |  |
| 4. | Inspect the CVs or profiles for the audit committee members and confirm whether: |  |  |  |
| 4.1 | Majority members, including the chairperson of the committee are independent or non-executive members.  |  |  |  |
| 4.2 | Members have relevant qualifications and experience as required. (The majority of the members should have financial qualifications) |  |  |  |
| 5. | Confirm that the audit committee met regularly (at least twice a year). |  |  |  |
| 6. | Confirm whether the committee met with the external auditors at least once without the executive members from the entity present to ensure that there is no unresolved issue of concern. |  |  |  |
| 7. | Confirm that the committee has explicit authority to investigate any matters within its terms of reference, the resources needed to do so and full access to information. |  |  |  |
| 8. | Confirm that the committee is able to obtain external professional advice and invite outsiders with relevant experience to attend if necessary. |  |  |  |
| 9. | Confirm that the head of internal audit directly reports to the audit committee and attend the audit committee meetings. |  |  |  |
| 10. | For any termination of membership during the year inspect evidence that the board or executing authority concur with the termination and identify premature terminations. |  |  |  |
| 11. | By reviewing the minutes of the audit committee meetings, and other evidence confirm that the audit committee has effectively discharged its responsibilities in respect of the following **duties /functions**: |  |  |  |
|  | **Adequacy and effectiveness of the systems of internal and financial control, accounting practices, and auditing processes** |  |  |  |
| 11.1 | Review the design and implementation of internal control procedures in the entity for major areas including asset, expenditure and revenue management. |  |  |  |
| 11.2 | Review risk management and related policies (where applicable). |  |  |  |
| 11.3 | Review financial statements in terms of compliance with prescribed accounting framework. |  |  |  |
| 11.4 | Review the Overall Audit Strategy of the SAI to ensure that it is the audit will address any concerns of the councillors or accounting officer, as applicable. |  |  |  |
| 11.5 | Review the external auditors’ management letter including management responses. |  |  |  |
| 11.6 | Review and approve the scope and the implementation of the internal audit plan. |  |  |  |
| 11.7 | Assess the effectiveness of internal audit. |  |  |  |
|  | **Communication between the council / board, management, internal and external auditors** |  |  |  |
| 11.8 | Met regularly with internal and external auditors. |  |  |  |
| 11.9 | Discussed the extent and timing of the external auditors’ proposed audit coverage. |  |  |  |
| 11.10 | Advised the council / board on any significant accounting and auditing problems identified by the external auditors. |  |  |  |
| 11.11 | Reviewed the extent of the external auditors’ planned reliance on the work of internal auditors. |  |  |  |
| 11.12 | Reviewed and approved management requests for extra work to be carried out by the internal auditors in particular areas of the accounting and control systems. |  |  |  |
| 11.13 | Evaluated whether management appropriately addressed material weaknesses in internal control, identified during the year, by internal and external audit. |  |  |  |
| 11.14 | Discussed any communication from management regarding their processes for identifying and responding to the risks of fraud in the entity. |  |  |  |
| 11.15 | Communicated to the external auditor, any fraud, suspected fraud or fraud investigation currently being conducted. |  |  |  |
| 11.16 | Discussed any concerns about the nature, extent and frequency of management’s assessment of the accounting and control systems in place to prevent and detect fraud, with the external auditor. |  |  |  |
| 11.17 | Discussed any concerns that a risk that the financial statement may be materially misstated may exist. |  |  |  |
| 11.18 | Notified the relevant oversight (e.g. council /executing authority) when the accounting officer has been implicated in fraud, corruption or gross negligence. |  |  |  |
| 11.19 | Submitted minutes of the audit committee to the oversight body. |  |  |  |
|  | **Inspect proof that the audit committee has reviewed the financial statements and reports with regards to:** |  |  |  |
| 11.20 | Compliance with statutory requirements and the financial reporting framework. |  |  |  |
| 11.21 | Resolution of significant or unusual accounting and auditing problems and adjustments highlighted by management and/or the internal or external auditors. |  |  |  |
| 11.22 | Changes in accounting policies during the year. |  |  |  |
| 11.23 | Reviewed unusual circumstances or events, significant commitments or contingent liabilities reflected in the financial statements or in the disclosure notes. |  |  |  |

**The following risks have been identified:**

***[All risks identified will be taken to the of risk of material misstatement on financial statement level working paper]***