

## AREAS WHERE THE AUDIT COMMITTEE CAN ADD VALUE (Good Practice Question 19)

Area	Example of how the committee can add value	Assessment	Overall Achievement
1. Promoting good governance	<ul style="list-style-type: none"> <li>Robust review of AGS and the assurances underpinning it</li> <li>Supporting reviews of governance arrangements</li> <li>Reviewing governance arrangements in partnerships</li> </ul>	<ul style="list-style-type: none"> <li>The review is carried out annually - assurances received from known sources e.g. internal/external audit</li> <li>Governance reviews always included in audit plan</li> <li>Governance arrangements in partnerships not covered</li> </ul>	Overall the A&S Committee adds value to the area, with improvements resulting 5/5
2. Contributing to the development of the control environment	<ul style="list-style-type: none"> <li>Monitoring implementation of agreed recommendations</li> <li>Raising concerns with appropriate managers</li> </ul>	<ul style="list-style-type: none"> <li>This is done - Chairman takes particular interest in this</li> <li>Managers have been called to the committee and met separately by Chair/HIA to address concerns regarding implementation</li> </ul>	Overall the A&S Committee adds value to the area, with improvements resulting 5/5
3. Supporting arrangements for effective risk management	<ul style="list-style-type: none"> <li>Reviewing risk management arrangements</li> <li>Holding risk owners to account</li> </ul>	<ul style="list-style-type: none"> <li>Risk management arrangements are reviewed annually e.g. Risk Management Strategy</li> <li>Under recent procedural changes not all risk owners are held to account by the A&amp;S Committee</li> </ul>	There is evidence that the A&S Committee adds value but there are gaps, with some risk owners held to account by other forums 3/5
4. Advising on the adequacy of the assurance framework	<ul style="list-style-type: none"> <li>Reviewing the effectiveness of assurance providers - internal audit, external audit, risk manager</li> </ul>	<ul style="list-style-type: none"> <li>Effectiveness of internal audit is assessed annually, periodically by external assessment. External audit providers are pre-endorsed as competent. Assurance on risk management is provided by regular internal audit review and report</li> </ul>	Overall the A&S Committee adds value to the area by ensuring effectiveness 4/5
5. Supporting the quality and independence of internal audit	<ul style="list-style-type: none"> <li>Reviewing the internal audit charter</li> <li>Assessing the effectiveness of internal audit arrangements</li> </ul>	<ul style="list-style-type: none"> <li>Internal audit charter reviewed and endorsed</li> <li>Effectiveness of internal audit is assessed annually</li> </ul>	Overall the A&S Committee adds value to the area by supporting quality and independence 4/5

Area	Example of how the committee can add value	Assessment	Overall Achievement
6.Aiding the achievement of the authority's goals by ensuring proper governance, control and risk arrangements are in place	<ul style="list-style-type: none"> <li>Ensuring governance, control and risk arrangements are in place for major programmes and projects</li> <li>Reviewing the effectiveness of project management</li> </ul>	<ul style="list-style-type: none"> <li>Corporate governance arrangements are assessed annually via the AGS review; assurance on the control framework is received from the annual report of internal audit; the risk management strategy sets the approach to risk for the authority.</li> <li>Assurance on project management effectiveness is received via the AGS review</li> </ul>	Overall the A&S Committee adds value to the area by ensuring proper corporate arrangements are in place for governance, control, risks and project management  4/5
7.Supporting arrangements to secure value for money	<ul style="list-style-type: none"> <li>Ensuring that assurance on value for money is received</li> </ul>	<ul style="list-style-type: none"> <li>Assurance on value for money is received via the AGS</li> </ul>	Overall the A&S Committee adds value to the area by monitoring assurance received on value for money  4/5
8.Supporting effective arrangements for countering fraud and corruption	<ul style="list-style-type: none"> <li>Reviewing the effectiveness of the strategy to address fraud risks</li> <li>Assessing the effectiveness of ethical governance arrangements</li> </ul>	<ul style="list-style-type: none"> <li>Fraud arrangements form part of the Anti-Fraud and Corruption Strategy, which is approved by the A&amp;S Committee</li> <li>Ethical governance is reviewed periodically and reported on by internal audit, highlighting any deficiencies</li> </ul>	Overall the A&S Committee adds value to the area by supporting effective arrangements for fraud and ethical governance  4/5
9.Promoting effective public reporting to improve transparency and accountability	<ul style="list-style-type: none"> <li>Ensuring decision making is transparent, publicly accessible, targeted to the proper audience and in plain English</li> </ul>	<ul style="list-style-type: none"> <li>Corporate arrangements ensure A&amp;S Committee meetings are held in public; agendas and minutes are published promptly on the website</li> </ul>	The A&S Committee supports effective public reporting and abides by corporate standards, but there is no evidence of specific improvement action. However, this area is not a problem corporately  2/5

#### Assessment key

5/5 Clear evidence that the committee is actively supporting improvement in the area - the improvements are clearly identifiable

4/5 Clear evidence that the committee is actively supporting improvement in the area - some improvement in some areas

3/5 Some evidence of support for improvement in this area, but with some gaps - evidence of improvement uncertain

2/5 Some evidence of support for improvement in this area but with limited impact

1/5 No clear evidence of support in this area