

Evaluating the Effectiveness of the Audit and Risk Management Committee - 2017

Areas where the Audit Committee can Add Value.	Examples of How the Audit Committee can Add Value and Demonstrate Effectiveness.	Self Evaluation Examples, Areas of Strength and Weakness.	Overall Assessment
Promoting the principles of good governance and their application to decision making.	<p>Providing robust review of the Annual Governance Statement (AGS) and the underpinning assurances.</p> <p>Working with other members to improve their understanding of the AGS.</p> <p>Supporting reviews/ audits of governance and control arrangements.</p> <p>Participating in self-assessments.</p>	<p>Robust review of the draft AGS and review of the final version.</p> <p>Review of opinions to support the AGS from internal and external audit.</p> <p>Review of reports from the Corporate Governance Board identifying progress towards delivery of Significant Governance Issues Action Plan.</p> <p>Review of periodic and annual risk management reports.</p>	5
Contributing to the development of an effective control environment.	<p>Monitoring the implementation of recommendations from auditors.</p> <p>Encouraging ownership of the internal control framework by appropriate managers.</p> <p>Raising significant concerns over controls with appropriate senior managers.</p>	<p>Progress report from internal audit on a regular basis both at formal Committee meetings and via bi-monthly email reports identifying implementation of recommendations and progress BRAG ratings.</p> <p>Managers asked to attend Committee to discuss particular reports as</p>	5

		required. Referring Issues to Cabinet/Council.	
Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks.	<p>Reviewing risk management arrangements and their effectiveness.</p> <p>Monitoring improvements.</p> <p>Holding risk owners to account for major/ strategic risks.</p>	<p>Regular review of the Corporate Risk Register.</p> <p>Approval of the Risk Management Strategy, Framework and Policy.</p> <p>Regular updates provided by the Risk Manager on progress made in implementing the Risk Management Strategy.</p> <p>Overseeing implementation of actions arising from IA work undertaken of risk management.</p>	5
Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively.	<p>Specifying its assurance needs.</p> <p>Seeking to streamline assurance gathering and reporting.</p> <p>Reviewing the effectiveness of assurance providers, eg internal audit, risk management, external audit.</p>	<p>Plans of work agreed for internal and external audit and annual reports identifying assurance opinions received and considered.</p> <p>Reports received from relevant officers responsible for governance and assurance (eg: Chair of Corporate Governance Group, Section 151 Officer, Monitoring Officer, Chief Internal Auditor).</p> <p>Framework of assurance (included as</p>	5

		<p>part of the Internal Audit Annual Report used to support opinions.</p> <p>Approval of the AGS and Assurance Action Plans arising.</p> <p>Regular reporting into the Committee from internal audit, external audit and risk management.</p>	
<p>Supporting the quality of the internal audit activity, particularly by underpinning its organisational independence.</p>	<p>Reviewing the audit charter and functional reporting arrangements.</p> <p>Assessing the effectiveness of internal audit through arrangements and supporting improvements.</p>	<p>Committee approves the Internal Audit Charter which includes structure and reporting arrangements.</p> <p>Committee considers performance indicators in respect of IA at all meetings.</p> <p>Committee approves the process for external evaluation of Internal Audit against current standards to support the self-assessment performed by Internal Audit and reported to the Committee.</p> <p>Close liaison with Internal Audit by Members throughout the year.</p>	5
<p>Aiding the achievement of the authority's goals and objectives through helping to ensure appropriate governance, risk, control and assurance arrangements.</p>	<p>Reviewing programmes to ensure that governance and assurance arrangements are in place.</p> <p>Reviewing the effectiveness of performance management arrangements.</p>	<p>Extensive work included in the internal and external audit plans.</p> <p>Call back of reports as appropriate.</p>	4/5

<p>Supporting the development of robust arrangements for ensuring value for money.</p>	<p>Ensuring that assurance on value for money arrangements are included in the assurances received by the audit committee.</p> <p>Considering how performance in value for money is evaluated as part of the AGS.</p>	<p>Financial Regulations and Contract Procedure Rules in place and approved by Members.</p> <p>External evaluation of value for money performed by external audit on an annual basis and outcomes reported to Committee.</p> <p>The outcomes of planned Internal Audit work.</p>	<p>4/5</p>
<p>Helping the Authority to implement the values of good governance, including effective arrangements for countering fraud bribery and corruption risks.</p>	<p>Reviewing arrangements against the standards set out in CIPFA's <i>Managing the Risk of Fraud</i> (Red Book 2), 'Protecting the Public Purse and Fighting Fraud Locally initiatives'.</p> <p>Reviewing fraud risks and the effectiveness of the organisation's strategy to address those risks.</p> <p>Assessing the effectiveness of ethical governance arrangements for both staff and governors.</p>	<p>Regular reports received by the Committee that cover all areas of counter fraud work carried out across the Council.</p> <p>Input and endorsement of a range of counter fraud policies, procedures and strategies designed to ensure compliance with CIPFA's <i>Managing the Risk of Fraud</i> publication.</p> <p>Support for various counter fraud campaigns designed to raise awareness across the region.</p> <p>Support provided to Internal Audit to manage the work of the Mersey Region Counter Fraud Hub.</p> <p>Oversight of robust governance arrangements including Codes of</p>	<p>5</p>

		<p>Conduct.</p> <p>Pro-active counter fraud work included in Audit Plan and outcomes reported to Committee.</p>	
<p>Promoting effective public reporting to the Authority's stakeholders and local community and measures to improve transparency and accountability.</p>	<p>Improving how the Authority discharges its responsibilities for public reporting; for example, better targeting at the audience, plain English.</p> <p>Reviewing whether decision making through partnership organisations remains transparent and publicly accessible and encouraging greater transparency.</p> <p>Statements of Accounts reporting.</p>	<p>Committee encourages full compliance with Transparency Code and press releases.</p> <p>Committee considers Statement of Accounts for Council and Pension Fund via formal reporting.</p> <p>Information on the Council's website.</p> <p>Committee reviews the AGS to ensure it reflects current levels of governance and any actions arising to improve.</p> <p>Outcomes of targeted audits reported to Committee.</p>	<p>5</p>

Assessment key

- 5 - Clear evidence is available from a number of sources that the Committee is actively and effectively supporting improvements across all aspects of this area.
- 4 - Clear evidence from some sources that the Committee is actively and effectively supporting improvement across many aspects of this area.
- 3 - The Committee has had mixed experience in supporting improvement in this area. There is some evidence that demonstrates their impact but there are also significant gaps.
- 2 - There is some evidence that the Committee has supported improvements, but the impact of this support is limited.
- 1 - No evidence can be found that the Audit and Governance Committee has supported improvements in this area.