

Evaluating the Effectiveness of the Audit Committee

Assessment Key

5	Clear evidence is available from a number of sources that the committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.
4	Clear evidence from some sources that the committee is actively and effectively supporting improvement across some 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 Committee has supported improvements in this area.

Areas where the Audit Committee can add value by supporting improvement	Examples of how the Audit Committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment: 5-1 See key above	
			Average Score (last year in brackets)	Range of Scores (last year in brackets)
		Comments received from Members		
1. Promoting the principles of good governance and their application to decision making.	1. Providing robust review of the AGS and the assurances underpinning it. 2. Working with key members/governors to improve their understanding of the AGS and their contribution to it. 3. Supporting reviews/audits of governance arrangements.	Yes to all. We work hard to ensure the underpinning assurances are robust and correct monitoring processes are in place. Still believe the AGS is reviewed well. Members kept well informed and discussions take place with Internal Audit active in supply of good information.	3.8 (l.y. 3.9)	3-5 (l.y. 2-5)

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	4. Participating in self-assessments of governance arrangements.	<p>My low marks reflect the total lack of Audit Committee's ability to ensure managers do their job.</p> <p>Sometimes the scrutiny can be too robust and can cross the line between what is acceptable and what is not. There are serious issues to be examined that do not need personal overtones.</p> <ol style="list-style-type: none"> 1. We try, we fail, so we try again. 2. An area I have not experienced 3. We strongly support this activity. 4. Participating? Hardly, 'taking note of' is more usual. <p>Important area for the Audit Committee. More can be done to improve understanding of the AGS by training and briefing sessions.</p>		

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2. Contributing to the development of an effective control environment.	<p>1. Monitoring the implementation of recommendations from auditors.</p> <p>2. Encouraging ownership of the internal control framework by appropriate managers.</p> <p>3. Raising significant concerns over controls with appropriate senior managers.</p>	<p>Yes to all.</p> <p>The AC acts upon the findings of IA in what it considers to be a robust manner in order to encourage ownership and accountability and it raises significant concerns over control deficiencies when brought before it. Unfortunately, despite reassurances from Officers as to implementation of new procedures these fall short on occasions and one must question where accountability lies in non-adherence and the overall reputation of AC in promoting an effective control environment.</p> <p>I like the acceptance of, and action taken relating to recommendations from auditors.</p> <p>All this assessment is marked by the committees failure to monitor and assess our policies are being adhered to.</p> <p>Sometimes the scrutiny can be too robust and</p>	<p>3.5</p> <p>(l.y. 4.2)</p>	<p>2-5</p> <p>(l.y. 3-5)</p>

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		<p>can cross the line between what is acceptable and what is not. There are serious issues to be examined that do not need personal overtones. When robust scrutiny and proper examination of officers crosses the boundary it makes committee very distasteful.</p> <ol style="list-style-type: none"> 1. This we do as best we are allowed. 2. We encourage, they ignore. 3. This we do, quite often. <p>Follow up audits and recommendations should be more frequent. Senior managers and officers should be more accountable to the Audit Committee's concerns.</p>		

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3. Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks.	<p>1. Reviewing risk management arrangements and their effectiveness, e.g. risk managements benchmarking.</p> <p>2. Monitoring improvements.</p> <p>3. Holding risk owners to account for major/strategic risks.</p>	<p>Yes to all.</p> <p>The AC acts upon the findings of IA in what it considers to be a robust manner in order to encourage ownership and accountability and it raises significant concerns over control deficiencies when brought before it. Unfortunately, despite reassurances from Officers as to implementation of new procedures these fall short on occasions and one must question where accountability lies in non-adherence and the overall reputation of AC in promoting an effective control environment.</p> <p>Reviews are well reported and regular.</p> <p>Good reports are regularly given and officer attendance is appropriate.</p> <p>The organisation is risk averse.</p> <p>Again an important area for the Audit</p>	<p>3.7</p> <p>(l.y. 3.6)</p>	<p>2-5</p> <p>(l.y. 2.5 - 5)</p>

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		Committee. I feel not enough is done with regard to following up monitoring with senior officers and managers/risk owners.		
4. Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively.	<p>1. Specifying its assurance needs, identifying gaps or overlaps in assurance.</p> <p>2. Seeking to streamline assurance gathering and reporting. Reviewing the effectiveness of assurance providers, e.g. internal audit, risk management, external audit.</p>	<p>Yes to both.</p> <p>External Audit and IA undertake thorough assessments and reviews. AC act upon these findings and support/endeavour to reinforce the recommendations. Regrettably, Officers do not always follow through with effective implementation.</p> <p>Don't know if we identified any gaps but see no problem with overlaps if right outcome is achieved. Have great faith in the work of all assurance providers.</p> <p>I feel that the committee has been active in the areas listed here. Once again however we need to be careful about personal issues clouding audit issues.</p>	<p>3.9</p> <p>(l.y. 4)</p>	<p>2-5</p> <p>(l.y. 3-5)</p>

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		<p>1. If this has occurred, I must have missed the meeting.</p> <p>2. Answers to questions are slow or slower, seldom direct and too often convoluted.</p> <p>Review of reporting arrangements is important. Pre Audit Committee briefings would be useful.</p>		
5. Supporting the quality of the internal audit activity, particularly by underpinning its organisational independence.	<p>1. Reviewing the audit charter and functional reporting arrangements.</p> <p>2. Assessing the effectiveness of internal audit arrangements and supporting improvements.</p>	<p>Yes to both.</p> <p>A good working relationship is held with both Audit functions.</p> <p>Reports are received in good time and well reported. Graphs especially good on iPads. Page numbers don't always tally up with paper copy.</p> <p>Members have questioned the staffing of internal audit and received assurances about the viability of the department.</p>	4.4 (l.y.4.4)	3.5 - 5 (l.y. 4-5)

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		<p>1. I fear I missed any review, but the functional reporting arrangements are sound.</p> <p>2. Lack of outside officer accountability is a hamper in this area.</p>		
<p>6. Aiding the achievement of the authority's goals and objectives through helping to ensure appropriate governance, risk, control and assurance arrangements.</p>	<p>1. Reviewing major projects and programmes to ensure that governance and assurance arrangements are in place.</p> <p>2. Reviewing the effectiveness of performance management arrangements.</p>	<p>Yes to both.</p> <p>We do our best as a committee but it feels that management are not always willing/able to implement required changes/recommendations.</p> <p>As a committee we do not review major projects e.g. 21st Century Schools spending. Perhaps this is an area for development.</p> <p>1. The organisation is risk averse.</p> <p>2. We are too far distant for meaningful comment.</p> <p>More can be done in reviewing major projects with additional meetings / briefings with stakeholders and officers.</p>	<p>3.3</p> <p>(l.y. 3.4)</p>	<p>3-5</p> <p>(l.y. 2-4)</p>

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7. Supporting the development of robust arrangements for ensuring value for money.	<p>1. Ensuring that assurance on value for money arrangements is included in assurances received by the Audit Committee.</p> <p>2. Considering how performance in value for money is evaluated as part of the AGS.</p>	<p>Yes to both.</p> <p>We do our best as a committee but it feels that management are not always willing/able to implement required changes/recommendations.</p> <p>Value for money is at the heart of the Audit Committees work.</p> <p>1. At Corporate Resources O&S it took monumental efforts to even get value for money recognised as a corporate responsibility. 2. The AGS does pay lip service to this issue.</p>	<p>3.9</p> <p>(l.y. 3.3)</p>	<p>3-5</p> <p>(l.y. 2-5)</p>
8. Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks.	<p>1. Reviewing arrangements against the standards set out in CIPFA's <i>Managing Risk of Fraud</i> (Red Book 2).</p> <p>2. Reviewing fraud risks and the effectiveness of the organisation's strategy to address those risks.</p>	<p>Yes to both.</p> <p>Excellent reports on these matters, well covered and discussed in detail.</p> <p>Good progress against these measures.</p> <p>1. I have not read the Red Book 2. 2. If fraud risk is equated to junk e-mail, the</p>	<p>4</p> <p>(l.y. 3.5)</p>	<p>3-5</p> <p>(l.y. 0-5)</p>

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		<p>organisation requires to update its systems.</p> <p>More emphasis should be given to reviewing past/current fraud. More frequent assessment needed.</p>		