

Evaluating the Effectiveness of the Audit Committee

Appendix A

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: Comments received from Member	Overall Assessment Scoring of 1-5 (See key above)	
			Average Score <i>(last years in brackets)</i>	Range of Scores <i>(last years in brackets)</i>
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	Yes, to the first four. Provides info to all questions that are not clearly understood.	3.8 <i>(LY 3.8)</i>	2-5 <i>(LY 3-5)</i>

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: Comments received from Member	Overall Assessment Scoring of 1-5 (See key above)	
			Average Score <i>(last years in brackets)</i>	Range of Scores <i>(last years in brackets)</i>
	<p>their understanding of the AGS and their contribution to it.</p> <p>3. Supporting reviews/audits of governance arrangements.</p> <p>4. Participating in self-assessments of governance arrangements.</p>			
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. 3. Raising significant concerns over controls with appropriate senior managers.</p>	<p>Yes to all. Clearly done.</p>	<p>4.8 <i>(LY 3.5)</i></p>	<p>4-5 <i>(LY 2-5)</i></p>
3. Supporting the	1. Reviewing risk management	Yes to all.	4.3	3-5

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: Comments received from Member	Overall Assessment Scoring of 1-5 (See key above)	
			Average Score <i>(last years in brackets)</i>	Range of Scores <i>(last years in brackets)</i>
establishment of arrangements for the governance of risk and for effective arrangements to manage risks.	<ul style="list-style-type: none"> arrangements and their effectiveness, e.g. risk managements benchmarking. 2. Monitoring improvements. 3. Holding risk owners to account for major/strategic risks. 	Risk is a key factor but arrangements to improve are effective.	(LY 3.7)	(LY 2-5)
4. Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively.	<ul style="list-style-type: none"> 1. Specifying its assurance needs, identifying gaps or overlaps in assurance. 2. Seeking to streamline assurance gathering and reporting. 3. Reviewing the effectiveness of assurance providers, e.g. internal audit, risk management, external audit. 	Yes to all. Working well.	4.3 (LY 3.9)	4-5 (LY 2-5)
5. Supporting the quality of the internal audit activity, particularly by underpinning its	<ul style="list-style-type: none"> 1. Reviewing the audit charter and functional reporting arrangements. 2. Assessing the effectiveness of 	Yes to both. Working Well.	4.5 (LY 4.4)	4-5 (LY 3.5 – 5)

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: Comments received from Member	Overall Assessment Scoring of 1-5 (See key above)	
			Average Score <i>(last years in brackets)</i>	Range of Scores <i>(last years in brackets)</i>
organisational independence.	internal audit arrangements and supporting improvements.			
6. Aiding the achievement of the authority's goals and objectives through helping to ensure appropriate governance, risk, control and assurance arrangements.	<ol style="list-style-type: none"> 1. Reviewing major projects and programmes to ensure that governance and assurance arrangements are in place. 2. Reviewing the effectiveness of performance management arrangements. 	Yes to both. With no foreseen problems from WAO. Achievement is reached.	4.3 <i>(LY 3.3)</i>	3-5 <i>(LY 3-5)</i>
7. Supporting the development of robust arrangements for ensuring value for money.	<ol style="list-style-type: none"> 1. Ensuring that assurance on value for money arrangements is included in assurances received by the Audit Committee. 2. Considering how performance in value for money is evaluated as part of the AGS. 	Yes to both. We achieve VFM Value performance is essential.	4.5 <i>(LY 3.9)</i>	4-5 <i>(LY 3-5)</i>
8. Helping the	1. Reviewing arrangements	Yes to second one.	3.0	1-4

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: Comments received from Member	Overall Assessment Scoring of 1-5 (See key above)	
			Average Score <i>(last years in brackets)</i>	Range of Scores <i>(last years in brackets)</i>
authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks.	<p>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>Some problems but overall fraud risk is low</p> <p>If we have ever done this item I must have nodded off during the discussion.</p>	(LY 4)	(LY 3-5)