

Self - Assessment - 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 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	2016/17 Self Evaluation	2016/17 Overall assessment: 5:1 (see key above)
Promoting the principles of good governance and their application to decision making.	Providing robust review of the AGS and the assurances underpinning it.	The Committee received the updated Action plan for the 2015/16 AGS in July 2016 and the final AGS and Action Plan update in September 2016	3
	Working with key members/governors to improve their understanding of the AGS and their contribution to it.	The Committee received training on; Risk and Governance, provided by IA in July 2016, the role of the Audit Committee in January 2017 and attending Governance training in May 2017.	3
	Supporting reviews/audits of governance arrangements	The Committee receives details of the outcomes from IA reviews and, where appropriate, has raised challenge and/or requested a more in-depth report back to it. The Committee commented on the IA Governance Dashboard at its March 2016 meeting.	3
	Participating in self assessments of governance arrangements.	Completed by the Committee as part of its consideration of its annual report.	2
	Working with partner audit committees to review governance arrangements in partnerships	The Committee have not had the opportunity to join with other Audit Committees in this municipal year.	1
Contributing to the development of an effective control environment's	Monitoring the implementation of recommendations from auditors	The Committee has received limited update on the implementation of recommendations resulting from Internal Audit reviews. The External Auditor has not provided any update on its recommendation implementation rate, to date.	2
	Encouraging ownership of the internal control framework by appropriate managers	The Committee has received reports from key officers within the Council, as in Finance, Internal Audit and Legal, as well as regular reports from the appointed external auditor.	3
	Raising significant concerns over controls with appropriate senior managers.	As above	3
Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks.	Reviewing risk management arrangements and their effectiveness, e.g. risk management benchmarking.	The Committee provides scrutiny and challenge for the Corporate Risk Register (CRR) which it formerly reviews every 6 months. The Committee also maintain a watching brief on Directorate Risk Registers (DRR), which it receives as information items once they have been cleared by Directorate Scrutiny Commissions.	3
	Monitoring improvements	The Committee has raised concerns with regard to the risks and mitigations contained within the Corporate Risk Register, however improvement to the CRR has yet to be achieved.	3
	Holding risk owners to account for major/strategic risks	Risk owners have been actively challenged as part of the Committee's scrutiny of the CRR.	4
Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively.	Specifying its assurance needs, identifying gaps in overlaps in assurance.	The Committee's work programme is collated in consultation the Internal and External auditors whilst taking into account the work of other committees such as Scrutiny, in order to ensure duplication does not occur. However, as the Committee in 2016/17 was constituted of predominantly new Members, a proportion of whom were new to the concept of an audit committee, an understanding of the level of assurance the Committee requires remains in the development stage at this time.	2
	Seeking to streamline assurance gathering and reporting.	The Committee has maintained a watching brief on the resources available to Internal Audit, as well as providing feedback on the Internal Audit work plan and the feasibility of achievement.	3
	Reviewing the effectiveness of assurance providers, e.g. internal audit, risk management, external audit.	The Committee receives regular reports from both the Internal and External auditors. Both provide the Committee with their annual work programmes for scrutiny and challenge.	3
Supporting the quality of the Internal Audit activity, particularly by organising its organisational independence.	Assessing the effectiveness of Internal Audit arrangements and supporting improvements	The Committee has received update reports on the Internal Audit provision and has utilised these to assess the effectiveness of the Internal Audit service, including the level of resource and audit coverage.	3
Aiding the achievement of the authority's goals and objectives through helping to ensure appropriate governance, risk, control and assurance arrangements.	Reviewing major projects and programmes to ensure that governance and assurance arrangements are in place.	The Committee has challenged the governance arrangements in place in the previous Change Programme, and are currently awaiting the Council's response to the issues highlighted in an independent report on said arrangements, in order to determine its role in ensuring improvement within the framework.	2
	Reviewing the effectiveness of performance management arrangements.	This function is carried out by the Scrutiny Commissions.	1

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	2016/17 Self Evaluation	2016/17 Overall assessment: 5:1 (see key above)
Supporting the development of robust arrangements for ensuring value for money.	Ensuring that assurance on value for money arrangements is included in the assurance received by the audit committee.	A large proportion of the Value for Money assurance is monitored by the Scrutiny Commissions, however the Committee are aware that VfM is within its remit, but it has yet to identify areas where it would require assurance going forward.	1
	Considering how performance in value for money is evaluating as part of the AGS	The Committee scrutinise the AGS process and subsequent final statement which takes consideration of the Council's achievement of Value for Money.	2
Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks.	Reviewing arrangements against the standards set out in CIPFA's Management the Risk of Fraud (Red book 2).	The Committee receives an annual Fraud update, as part of the Internal Audit Annual report, which provides the outcomes from an annual review of the Council's fraud arrangements against relevant fraud checklists and key indicators.	3
	Reviewing fraud risks and the effectiveness of the organisation's strategy to address those risks.	The Committee review fraud risk as part of the annual review as detailed above, as well as taking reports through out the year from the Internal Auditor on the pro-active and reactive fraud work.	4
	Assessing the effectiveness of ethical governance arrangements for both staff and Members.	The Committee retain responsibility for reviewing the behaviour of Members against the Members Code of Conduct, with an independent member appointed to deal with any issues considered to need independent review. The Committee relies on its Internal Audit service to provide assurance regarding the behaviour of staff which is adjudged against the Council's Code of Conduct for Employees.	4
Promoting effective public reporting to the authority's stakeholders and local community and measures to improve transparency and accountability.	Improving how the authority discharges its responsibilities for public reporting; for example, better targeting at the audience, plain English.	The Committee actively supports the need to ensure that reports are not made inaccessible due to the language/terminology used, challenging reports where the language and terminology impinges on the transparency of the published information.	3
	Reviewing whether decision making through partnership organisations remains transparent and publicly assessable and encouraging greater transparency.	The Committee's default stance is that all reports should be available in the public domain, with exemption only applied where the information is either commercially or personally sensitive. The Committee will actively challenge where a report has been exempt but could have been considered in public session.	2