

Areas when the audit committee can have impact by supporting improvement	Examples of how the audit committee can demonstrate its impact
<p>Promoting the principles of good governance and their application to decision making</p>	<ul style="list-style-type: none"> • Supporting the development of a local code of governance. • Providing a robust review of the AGS and the assurance underpinning it. • Supporting reviews/audits of governance arrangements. • Participating in self-assessments of governance arrangements. • Working with partner audit committees to review governance arrangements in partnership.
<p>Contributing to the development of an effective control environment</p>	<ul style="list-style-type: none"> • Encouraging ownership of the internal control framework by appropriate managers. • Actively monitoring the implementation of recommendations from auditors. • Raising significant concerns over controls with appropriate senior managers.
<p>Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks.</p>	<ul style="list-style-type: none"> • Reviewing risk management arrangements and their effectiveness, eg risk management maturity or benchmarking. • Monitoring improvements to risk management. • Reviewing accountability of risk owners.
<p>Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively.</p>	<ul style="list-style-type: none"> • Reviewing the adequacy of the leadership team’s assurance framework. • Specifying the committee’s assurance needs, identifying gaps or overlaps in assurance. • Seeking to streamline assurance gathering and reporting. • Reviewing the effectiveness of assurance providers, eg internal audit, risk management, external audit.

<p>Supporting effective external audit, with a focus on high quality and timely audit work.</p>	<ul style="list-style-type: none"> • Reviewing and supporting external audit arrangements with focus on independence and quality. • Providing good engagement on external audit plans and reports. • Supporting the implementation of audit recommendations.
<p>Supporting the quality of the internal audit activity, in particular underpinning its organisational independence.</p>	<ul style="list-style-type: none"> • Reviewing the audit charter and functional reporting arrangements. • Assessing the effectiveness of internal audit arrangements, providing constructive challenge and supporting improvements. • Actively supporting the quality assurance and improvement programme of internal audit.
<p>Aiding the achievement of the authority's goals and objectives by helping to ensure appropriate governance, risk, control and assurance arrangements.</p>	<ul style="list-style-type: none"> • Reviewing how the governance arrangements support the achievement of sustainable outcomes. • Reviewing major projects and programmes to ensure that governance and assurance arrangements are in place. • Reviewing the effectiveness of performance management arrangements.
<p>Supporting the development of robust arrangements for ensuring value for money.</p>	<ul style="list-style-type: none"> • Ensuring that assurance on value-for-money arrangements is included in the assurances received by the audit committee. • Considering how performance in value for money is evaluated as part of the AGS. • Following up issues raised by external audit in their value-for-money work.
<p>Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks.</p>	<ul style="list-style-type: none"> • Reviewing arrangements against the standards set out in the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014). • Reviewing fraud risks and the effectiveness of the organisation's strategy to address those risks. • Assessing the effectiveness of ethical governance arrangements for both staff and governors.

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 the audience and use of plain English.
- Reviewing whether decision making through partnership organisations remains transparent and publicly accessible and encourages greater transparency.
- Publishing an annual report from the committee.

Key indicators of effective arrangements

- Elected members, the leadership team and senior managers all share a good understanding of governance, including the key principles and local arrangements.
- Local arrangements for governance have been clearly set out in an up to date local code.
- The authority's scrutiny arrangements are forward looking and constructive.
- Appropriate governance arrangements established for all collaborations and arm-length arrangements.
- The internal audit's service provider's annual opinion on governance is satisfactory (or similar wording).

- The internal audit service provider's annual opinion over internal control is that arrangements are satisfactory.
- Assessments against control frameworks such as CIPFA's FM Code have been completed and a high level compliance identified.
- Control frameworks are in place and operating effectively for key control areas - for example information security or procurement.

Clearly articulated and implemented Risk Management Strategy is in place and understood at all levels
Regular and systematic reporting against the Risk Management Strategy, eg SMT, OBT, A&G and TfN Board.
Systematic Internal Audit reviews across a number of operational areas which encompasses risk.

- The authority's leadership team have defined an appropriate framework of assurance, including core arrangements, major service areas and collaborations and external bodies.

- The quality of liaison between external audit and the authority is satisfactory.
- The auditors deliver in accordance with their audit plan and any amendments are well explained.
- An audit of high quality is delivered.

- Internal audit services provider is in conformance with PSIAS and LGAN (as evidenced by the most recent external assessment and an annual self-assessment).
- The internal audit service provider and the organisation operate in accordance with the principles of the CIPFA Statement on the Role of the Head of Internal Audit (2019).

- Inspection reports indicate that arrangements are appropriate to support the achievement of service objectives.
- The authority's arrangements to review and assess performance are satisfactory.

- External audit's assessments of arrangements to support best value are satisfactory.

- Good ethical standards are maintained by both elected representatives and officers. This is evidenced by robust assurance over culture, ethics and counter fraud arrangements.

- The authority meets the statutory deadlines for financial reporting with accounts for audit of an appropriate quality.
- The external auditor completed the audit of the financial statements with minimal adjustments and an unqualified opinion.
- The authority has published its financial statements and AGS in accordance with statutory guidelines.
- The AGS is underpinned by a robust evaluation and is an accurate assessment of the adequacy of governance arrangements.

**Your evaluation: strengths,
weaknesses and proposed actions**

