

Assessment of Audit Committee Effectiveness.

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 the Audit Committee can add value (by supporting improvement)		Overall Assessment	Improvement Actions
1.	<p>Promoting the principles of good governance and their application to decision making.</p> <p>Examples</p> <ul style="list-style-type: none"> ▪ Supporting the development of a local code of governance. ▪ Providing robust review of the AGS and the assurances underpinning it. ▪ Working with key members/governors/PCC and chief constable to improve their understanding of the AGS and their contribution to it. ▪ Supporting reviews/audits of governance arrangements. ▪ Participating in self-assessments of governance arrangements. ▪ Working with partner audit committees to review governance arrangements in partnerships. 	3	1. Communications Plan.
2.	<p>Contributing to the development of an effective control environment.</p> <p>Examples</p> <ul style="list-style-type: none"> ▪ Actively monitoring the implementation of recommendations from auditors. ▪ Encouraging ownership of the internal control framework by appropriate managers. ▪ Raising significant concerns over controls with appropriate senior managers. 	4	

	<ul style="list-style-type: none"> ▪ Reviewing risk management arrangements and their effectiveness, e.g. risk management benchmarking. ▪ Monitoring improvements ▪ Holding risk owners to account for major/strategic risks 		
3.	<p>Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks.</p> <p>Examples</p> <ul style="list-style-type: none"> ▪ Reviewing risk management arrangements and their effectiveness, e.g. risk management benchmarking. ▪ Monitoring improvements ▪ Holding risk owners to account for major/strategic risks 	3.5	
4.	<p>Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively.</p> <p>Examples</p> <ul style="list-style-type: none"> ▪ Specifying its assurance needs, identifying gaps or overlaps in assurance ▪ Seeking to streamline assurance gathering and reporting ▪ Reviewing the effectiveness of assurance providers, e.g. internal audit, risk management, external audit 	3	7. Assurance Map.
5.	<p>Supporting the quality of the internal audit activity, particularly by underpinning its organisational independence.</p> <p>Examples</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 	4	
6.	<p>Aiding the achievement of the authority's goals and objectives through helping to ensure appropriate governance, risk, control and assurance arrangements.</p> <p>Examples</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 	2	7. Assurance Map

7.	<p>Supporting the development of robust arrangements for ensuring value for money.</p> <p>Examples</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. 	3	8. Value for Money assurance.
8.	<p>Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks.</p> <p>Examples</p> <ul style="list-style-type: none"> ▪ Reviewing arrangements against the standards set out in CIPFA's <i>Managing the Risk of Fraud (Red Book 2) the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014)</i> ▪ 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. 	4	
9.	<p>Promoting effective public reporting to the authority's stakeholders and local community and measures to improve transparency and accountability.</p> <p>Examples</p> <ul style="list-style-type: none"> ▪ Improving how the authority discharges its responsibilities for public reporting; for example, better targeting at the audience, 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. 	3	1. Communications Plan.