

“Evaluating the Effectiveness of Audit Committee” from Appendix E of CIPFA’s Audit Committees – Practical guidance for Local Authority and Police (2018 Edition)

Assessment criteria

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.

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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
1.Promoting the principles of good governance and their application to decision making	<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/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 	<p><i>Review of Corporate Governance Framework and Financial regulations and provided amendments.</i></p> <p><i>JASC review of the Joint AGS & Governance Improvement Plan for the PCC and CC.</i></p> <p><i>Supportive of the continuing development of a clear understanding of governance structures by the on-going review of the Assurance Map.</i></p> <p><i>Approval of Internal Audit plan that includes coverage of Governance.</i></p>	4
2.Contributing to the development of an effective control environment	<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 	<p><i>Implementation of recommendations is tracked by JASC at each meeting.</i></p> <p><i>JASC has received confirmation on how reviewers’ (internal and external) recommendations are monitored and managed.</i></p> <p><i>Review of the Financial Management Code and report from CIPFA.</i></p> <p><i>Maintaining a keen oversight of the Transition arrangements from the Alliance and the resultant risks and their management.</i></p>	4

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3. Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks	<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 	<p><i>Risk management Strategies, Policies and practices reviewed and commented upon.</i></p> <p><i>Development of risk management arrangements promoted and supported by JASC and Subject-lead member.</i></p> <p><i>Force and PCC Risk registers regularly and proactively reviewed.</i></p>	4
4. Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively	<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 	<p><i>Rolling JASC Workplan devised to align with assurance needs derived from agreed JASC Terms of reference.</i></p> <p><i>Ensured there is clarity on the responsibility for monitoring improvement actions and that this is set at the right level and by appropriate forum in the organisation.</i></p> <p><i>Assessing the plan and plan progress of Internal Audit, the Force’s Audit and Assurance Team and External Audit.</i></p> <p><i>High level oversight of progress in implementing HMICFRS recommendations.</i></p>	4
5. Supporting the quality of the internal audit activity, particularly by underpinning its organisational independence.	<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><i>Annual review of Audit Charter.</i></p> <p><i>Review of internal audit plans, plan delivery & findings.</i></p> <p><i>Approved a risk based IA plan for 2021/22, which was aligned to the PCCs and the CCs strategic objectives in line with best practice.</i></p> <p><i>JASC Subject-lead meets with Head of internal audit regularly.</i></p>	4