

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 below
1. Promoting the principles of good governance and their application to decision making	Supporting the development of a local code of governance. Providing robust review of the Annual Governance Statement (AGS) and the assurances underpinning it. Working with key members/governors 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.	Committee is aware the Local Code of Corporate Governance is used for annual self-assessment, and scrutinised AGS prior to its inclusion in Annual Report and Accounts. Chair met regularly with Chief Executive / Executive Director Finance & Regulatory. Committee supports the role of audit in improving internal control and governance. Committee considers national reports and uses self-assessment toolkits. Chair met Audit Committees' Chairs of IJB and NHS Borders to support improvement.	5 (2019/20 5)
2. Contributing to the development of an effective control environment.	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.	Committee received periodic progress reports from Auditors e.g. follow-up activity. Committee recommended (November 2019) that CMT determine an escalation process to address those Audit recommendations not completed within the agreed timescale. Action Tracker used to monitor completion of Committee recommendations.	5 (2019/20 5)
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. Monitoring improvements. Holding risk owners to account for major/strategic risks.	Committee considered update on Risk Management activity within Annual Report. Risk management benchmarking is required to identify any areas of improvement. Committee received presentations by various Executive/Service Directors, as per agreed schedule, on their key risks and mitigations to hold Management to account.	4 (2019/20 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	Overall assessment 5-1 See key below
4. Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively.	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.	Committee considered Annual Strategies, Plans and Reports received from Auditors and have highlighted areas for assurance, and received national reports for assurance. Committee seeks information on how internal and external audit interact with each other.	4 (2019/20 4)
5. Supporting the quality of the internal audit activity, particularly by underpinning its organisational independence.	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 (QAIP) of internal audit.	Committee approved the Internal Audit Charter, noting PSIAS requirements. Committee approved the Internal Audit Strategy and Plan, and considered regular Reports raising queries and endorsing recs. Committee received QAIP and PSIAS conformance, including outcomes of EQA process, within Internal Audit reports.	5 (2019/20 5)
6. Aiding the achievement of the authority's goals and objectives through helping to ensure appropriate governance, risk, control and assurance arrangements.	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.	Auditors provided assurance reports on governance arrangements for transformation (including Fit for 2024 Programme), sustainability, and performance management, including lessons learned and best practice. Reliance placed on the Executive Committee that fulfils performance-monitoring role.	4 (2019/20 4)
7. Supporting the development of robust arrangements for ensuring value for money.	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.	Auditors provided assurance on value for money arrangements. AGS sets out the Governance Framework including arrangements for best value. Committee actively monitored progress with delivery of Best Value Action Plan (more progress required by the Council).	4 (2019/20 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	Overall assessment 5-1 See key below
8. 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 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.	Committee considered update on Counter Fraud improvements within Annual Report, and requested self-assessment against Covid fraud risks using template in national report. Auditors provided assurance reports on fraud risks and counter fraud controls. Committee considered national reports on fraud risks and mitigations.	4 (2019/20 4)
9. 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. Reviewing whether decision making through partnership organisations remains transparent and publicly accessible and encourages greater transparency. Publishing an annual report from the committee.	Committee scrutinised annual accounts and reports prior to publication and audit, and commented on the format/content for users. Chair previously met Audit Committees' Chairs of IJB and NHS Borders to understand assurance arrangements to avoid duplication. Committee's Annual Report presented to Council and published for transparency.	5 (2019/20 5)

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.