

# Introduction to Audit & Risk Assurance Committees

It is important for newly appointed Audit and Risk Assurance Committee members to receive induction training that will enable them to contribute effectively in their new role. It may also be helpful for current Audit and Risk Assurance Committee members to keep their understanding of the committee's functions up to date and relevant.

## Aim

To provide participants with a clear understanding of:

1. An overview of central government financial management and reporting, including key terminology
2. The role of the audit and risk assurance committee
3. The committee's relationship with the Accounting Officer
4. Committee membership and skills
5. The role of internal audit and the auditor's relationship with the committee
6. The committee's relationship with the external auditor
7. The proper conduct of public business
8. The importance of ensuring an appropriate organisational culture
9. The role of the committee in relation to risk management
10. An update on current developments in public sector governance which are of direct relevance to committee members
11. Examples of best practice for audit and risk assurance committees

## Methodology

The training approach to be used, which governs the design and delivery of the training is based on the following principles:

- To actively involve the participants throughout the training
- To enable participants to share their thoughts and enquiries
- The training is designed based on the needs and expectations of the participants that are reflected in the pre-training questionnaire

## Workshop methods and tools

In order to achieve the objectives of the training, the following tools and methods will be utilised:

- **Presentations:** presentations will be used in order to provide the background of each subject and create discussion and questions.
- **Discussions:** throughout the training, participants will be encouraged to contribute to discussions and share their experiences and thoughts with the rest of the group. The discussions will be facilitated and coordinated by the facilitator in order to maintain the focus in the key areas of interest
- **Case studies:** case studies will be used so as to facilitate and trigger discussion, as well as allow external benchmarking so as to achieve competitiveness
- **Group work:** group work will be used in order to facilitate practical understanding of the issues and in order to enhance team working, team building and cooperation amongst participants

## Sample programme

### Agenda

10.00

Welcome and Introductions

- Aims and learning objectives of the day. Participants' aims and experience.

### **Understanding the public sector government context: corporate governance arrangements and sources of guidance**

**[Speaker: Brian Whalley]**

- The constitutional position of the audit committee in government departments, public bodies and other Arm's Length Bodies
- The significance of good corporate governance
- The role of the Accounting Officer
- Relationship between and respective roles of the Audit Committee, the Accounting Officer and Board
- "The proper conduct of public business" including regularity and propriety
- Respective roles of internal and external audit
- Case study: governance and financial oversight issues

Refreshment Break

### **The central government context part 2: central government financial management and reporting**

**[Speaker: Brian Whalley]**

- Planning and control of public expenditure: an overview
- Key terminology relating to central government finance
- The role of the National Audit Office including audit opinions

- Examples of qualified accounts
- Principal sources of guidance and reference

12.30 Lunch

### **The role of audit committees**

**[Speaker: Brian Whalley]**

- Principle functions of the committee including terms of reference
- Relationship with internal and external audit
- Role of the audit committee in relation to financial management issues, including integrity of the annual report and accounts
- Central government guidance: HM Treasury's updated Audit Committee handbook and other sources including the National Audit Office
- Key messages from Treasury's handbook in relation to the committee's key areas of responsibility, including matters such as committee composition, skills, cross attendance and relationship between Departmental and Arm's Length Bodies audit committees
- The committee's role in relation to risk management and the governance statement
- Management's response to audit findings
- Case studies including recent PAC hearings and pronouncements
- Recent developments in governance in the central government sector

Refreshment Break

### **Observations and good practice advice concerning the work of the Audit and Risk Assurance Committee**

**[Speaker: Anthony Foster]**

- Terms of reference

- Management of risk
- Attendance at the committee
- In camera meetings with auditors
- Committee self-assessment

**Review of the day**

16.15      Close

## Our trainers

### **Brian Whalley OBE**

With over 10 years of experience in training senior management and board members, Brian is the most experienced and authoritative trainer in accountability, governance and financial management. He regularly provides induction and board development programmes for non-executive board members of government departments, executive agencies, Non-departmental Public Bodies, NHS bodies and public corporations. He has run programmes for over 100 Non-Departmental Public Bodies, and other Arm's Length Bodies, and is experienced in working in all UK jurisdictions.

He has written guidance material on governance topics, such as the management of conflicts of interest, and a guide to working in central government for newly appointed non-executive board members of government departments. Two documents, for example, were published by the Department of Trade and Industry and the Cabinet Office:

- 1. A Guide to Propriety for RDA Board Members, Department of Trade and Industry*
- 2. Working in Government: A Guide for Non-executive Board Members of Government Departments, Cabinet Office*

On international level, Brian has delivered training in Macedonia, Abu Dhabi, Russia, Hungary, Poland and the Turks and Caicos Islands.

He currently teaches the following programmes at Civil Service College:

- Public Accountability for New Accounting Officers
- Introduction to Audit & Risk Assurance Committees
- Accountability & Governance for Arm's Length Bodies

### **Anthony Foster**

Tony was formerly a Director of ICI Chemicals and Polymers Ltd and Chief Executive of ICI Chlorchemicals Business. He became a full-time member of the Criminal Cases Review Commission from 1997 to 2006 and was a member of the Council of the Competition Commission from 2003 to 2009.

He has also been Chairman of the Animal Health and Veterinary Laboratories Agency, a member of the Financial Protection Committee of the Solicitors Regulation Authority, a member of the Disciplinary Committee of the Institute of Chartered Accountants and a member of the Board of Trustees of Victim Support. He is currently a non-executive director of the Legal Ombudsman, a non-executive director of Gloucestershire Hospitals NHS Foundation Trust and a member of the Determinations Panel of the Pensions Regulator.

He has chaired the audit committees of the Competition Commission, AHVLA, Victim Support and the Legal Ombudsman.

