

AUDIT AND RISK MANAGEMENT COMMITTEE MEMBERS

SKILLS AUDIT 2018

CORE AREAS OF KNOWLEDGE

KNOWLEDGE AREA	DETAILS OF CORE KNOWLEDGE REQUIRED	SCORE (1-4) 1 – very strong 2 – strong 3 - basic 4 - limited	NOTES: How the audit committee member is able to apply the knowledge
Organisational knowledge	<ol style="list-style-type: none"> 1. An overview of the governance structures of the authority and decision-making processes. 2. Knowledge of the organisational objectives and major functions of the authority. 		This knowledge would be core to most activities of the Audit and Risk Management Committee (ARMC), including review of the Annual Governance Statement (AGS), internal and external audit reports and risk registers.
Audit committee role and functions	<ol style="list-style-type: none"> 1. An understanding of the Audit Committee's role and place within the governance structures. 2. Familiarity with the Committee's terms of reference and accountability arrangements. 		This knowledge will enable the ARMC to prioritise its work, in order to ensure it discharges its responsibilities under its terms of reference, and to avoid overlapping the work of others.
Governance	<ol style="list-style-type: none"> 1. Knowledge of the seven principles of the CIPFA/Solace Framework and the requirements of the Annual Governance Statement. 2. Knowledge of the local code of governance. 		The ARMC will review the local code of governance and consider how governance arrangements align to the principles in the framework. The ARMC will plan the assurances it is to receive in order to adequately support and review the AGS and consider how the authority is meeting the principles of good governance

Internal Audit	<ol style="list-style-type: none"> 1. An awareness of the key principles of the PSIAS and the LGAN. 2. Knowledge of the arrangements for delivery of the internal audit service and how the role of the Head of Internal audit is fulfilled. 		The ARMC has oversight of the internal audit function and will monitor its adherence to professional internal audit standards.
Financial Management and Accounting	<ol style="list-style-type: none"> 1. Awareness of the financial statements that a local authority must produce and the principles it must follow to produce them. 2. Understanding of good financial management principles and knowledge of how the organisation meets the requirements of the role of the Chief Financial Officer in Local Government and the CIPFA Statement on the Role of Chief Financial Officers. 		The ARMC reviews the financial statements prior to publication; the external audit report and opinion on the financial audit and both external and internal audit recs relating to financial management and controls. The ARMC should consider the role of the CFO and how this is met when reviewing the AGS.
External Audit	<ol style="list-style-type: none"> 1. Knowledge of the role and functions of the external auditor and who currently undertakes this role. 2. Knowledge of the key reports and assurances that external audit will provide. 3. Knowledge about arrangements for the appointment of auditors and quality monitoring undertaken. 		The ARMC should meet with the external auditor regularly and receive their reports and opinions. The audit committee should monitor the relationship between the external auditor and the authority and support the delivery of an effective service.
Risk Management	<ol style="list-style-type: none"> 1. Understanding of the principles of risk management, including linkage to good governance and decision making. 2. Knowledge of the risk management policy and strategy of the organisation. 3. Understanding of risk governance arrangements, including the role of members and of the ARMC. 		In reviewing the AGS, the committee will consider the robustness of the authority's risk management arrangements and should also have awareness of the major risks the authority faces. The committee should also review reports and action plans to develop the application of risk management practice.

Counter Fraud	<ol style="list-style-type: none"> 1. An understanding of the main areas of fraud and corruption risk to which the organisation is exposed. 2. Knowledge of the principles of good fraud risk management practice in accordance with the Code of Practice on Managing the Risk of Fraud and Corruption. 3. Knowledge of the organisation's arrangements for tackling fraud 		<p>Knowledge of fraud risks and good fraud risk management practice will be helpful when the ARMC reviews the organisation's fraud strategy and receives reports on the effectiveness of that strategy.</p> <p>An assessment of arrangements should support the AGS and knowledge of good fraud risk management practice will support the ARMC member in reviewing that assessment</p>
Values of good governance	<ol style="list-style-type: none"> 1. Knowledge of the Seven Principles of Public Life. 2. Knowledge of the authority's key arrangements to uphold ethical standards for both members and staff. 3. Knowledge of the whistleblowing arrangements in the authority. 		<p>Oversight of the effectiveness of whistleblowing will be considered as part of the AGS. The ARMC Member should know to whom concerns should be reported.</p>
Treasury Management	<p>The key knowledge areas identified are:</p> <ol style="list-style-type: none"> 1. regulatory requirements treasury risks 2. the organisation's treasury management strategy 3. the organisation's policies and procedures in relation to treasury management 		<p>Effective Scrutiny of Treasury Management is an assessment tool for reviewing the arrangements for undertaking scrutiny of treasury management.</p>

SPECIALIST AREAS OF KNOWLEDGE

PLEASE NOTE: there is no expectation of Members being able to tick more than a couple of these specialist knowledge areas.

KNOWLEDGE AREA	DETAILS OF SUPPLEMENTARY KNOWLEDGE - PROFESSIONAL QUALIFICATIONS, EXPERIENCE, ETC.	SCORE 1-4 1 – VERY STRONG 2 – STRONG 3 - BASIC 4 - LIMITED/NONE
Governance and Legal		
Programme and Project Management		
IT systems and IT governance		
Arts and Culture		
Child Protection		
Education &/or Training		

Equal Opportunities and Diversity		
Health and Safety		
Insurance		
Media/PR/Marketing		
Planning and Strategy		
Engineering		
Property and Buildings/Facilities Management		
Fundraising/Trusteeship		
Human Resources		