

Meeting management/Chair

The Chair has an important role; needs to keep the meetings focused; act with integrity & independence; able to focus on strategy, risk and purpose; and escalate/delegate as needed. They should have relevant experience & skills and share good practice. Chairs need suitable support and training.

Membership

Members should have a variety of professional skills and relevant experience, but not every member needs to be strong in all areas. A diverse membership is important for balance, ensuring a good skill mix. Everyone should understand their role: good committee structures are key. A variety officers should report to the committee.

Members' behaviours, skills, and knowledge

Culture should enable everyone to act with integrity and support effective scrutiny. Openness, trust and organisational understanding are vital. Members should listen, question, positively challenge and acknowledge politics/conflicts of interest. Regular attendance is important. External expertise can help as needed.

Training and guidance

There are many sources of useful guidance and good practice. Continuing Professional Development is important: training courses, guest speakers and mentoring supports this. Annual self-assessment with ongoing feedback helps. Good induction for new members helps. Finance and IT training is particularly important.

Communications and relationships

Good relationships with all stakeholders is vital. There should be clarity around accountability, with the ability to speak truth to power. Communication should be constructive, open and honest. Networking and sharing of good practice are important. Impact of communication needs to be carefully considered.

Internal/external audit

An effective internal audit function provides assurance and opinions. Members should understand the value of audit. Audits should be constructive, set out improvement needed, responsibilities, and follow up on recommendations. Internal audit and risk registers should correlate. Good relationships with Audit Wales are important.

Reports, information, and resources

Outputs should be well written, understandable, and engaging to others; the right information should be presented at the right level in the right format, with appropriate detail. The annual report should be reflective and add value to overall assurance. Additional officer explanation should be given if needed to provide clarity.

Meeting administration/support

Measurable outcomes should be recorded. Papers should include good quality information. Informal sessions can support knowledge. Improved support improves committees. There should be a focus on 'process, planning and procedure', for good corporate governance. Consistent guidance supports this.

Meeting duration/cycle/agenda

There should be an annual programme. Agendas should be balanced and comprehensive, avoiding duplication; assurance and risk should form the basis of agendas. Actions should be followed up to see their impact. Deep dives can help. Sufficient time should be allowed for items. Cyber security should be discussed.

Terms of reference

A strong terms of reference is crucial and should be updated regularly. There should be a clear understanding of roles and authority shown in the terms of reference. The terms of reference should be adhered to, to avoid 'mission creep'.

Meeting management/Chair

- The Chair has an important role to play and needs to be confident and strong enough to keep the meetings focused and on track, and able to act with integrity and independence.
- There are benefits if a Chair has been on multiple committees and is able to share good practice. An independent Chair with experience and understanding of how systems work is helpful. It also helps if the Chair has a vested interest in the committee.
- A Chair should be unafraid to challenge and escalates risks and issues to the Board. They should be disciplined and able to keep focus on strategy and risk.
- Delegation to committee members is important, as is allowing other members time to reflect and think. The Chair should encourage discussion.
- Chairs need support and training.

Membership

- Members should have an appropriate level of skill. A good skill mix is more important than number of members. Not every member needs to be strong in all areas.
- There should be appropriate representation and attendance, with a diverse balance of people on the committee, with different experience.
- There needs to be clarity about roles of the committee and officers/elected members, so everyone knows why they are there. Everyone should understand their role.
- Lay members can enhance a committee, and independent members are essential. They can bring fresh perspectives and professionalism.
- Good committee structures are key.
- A variety of officers should report to the committee (not just auditors).

Members' behaviours, skills, and knowledge

- Culture should enable everyone to act with integrity; culture and tone are important to support effective scrutiny and challenge. The building of trusting relationships is vital.
- A committee should be supportive as well as challenging, helping management facilitate change (ie, scrutinise but not manage). A pragmatic and reasonable approach helps.
- There should be a mix of skills across the committee, and a variety of relevant experience. A skill matrix can help enable this.
- A committee should listen, be able to positively challenge where needed and act as a critical friend, based on openness and trust. It should be brave enough to ask difficult questions.
- External expertise should be brought in as and when needed.
- Clarity of purpose is key: committees need to be strategic, with a focus on risk management and able to hold the executive to account as risk owners.
- A committee should understand the whole organisation.
- Not getting too 'bogged down' in detail helps time management, as does prioritisation.
- Acknowledgement of the importance of political perspective and potential conflicts of interest is also necessary.

Training and guidance

- CIPFA have guidance on what makes a good audit committee. There are many sources of useful guidance, eg, the Good Governance Institute Maturity Matrix. Simple guidance is important, as is the sharing of good practice.
- The strength of Welsh legislation is encouraging independent members.
- Continuing Professional Development (CPD) is important.
- Should have training courses and guest speakers, as part of development. Mentoring can help too, supporting less experienced members.
- Regular finance related training is needed due to ongoing changes. Good IT skills should be developed. A clear skill matrix can help.
- Self-assessment: annual completion based on feedback obtained can help (feedback should be obtained on an ongoing basis not just once a year).
- Should invest in new members induction and ongoing training of members and officers.

Communications and relationships

- Good relationships are key: with the Board, officers, auditors, and members, as well as with 'customers' (citizens/service users).
- There should be clarity around accountability to the Board. Need to keep the Board clearly informed of risk and areas to get involved in.
- Constructive, open, and honest conversations should be had. Trust is important, as is the ability to tell truth to power.
- The committee should provide confidence in others.
- There should be good connectivity between committee members and board members.
- Good relationships with officers are important to ensure understanding of information presented, which enables challenge.
- Appropriate status of a committee within the organisation should be clear to all.
- Networking and sharing of good practice are important.
- Better understanding of what is discussed at meetings by those who do not need to attend can improve relationships.
- Executives/officers attending meetings should take the need to attend seriously. These attendees should also ensure that the information they are sharing is understandable to all members (eg lay members).
- Impact and use of language should be carefully considered when communicating with others.

Internal/external audit

- An effective internal audit function should provide assurance and an opinion to inform the audit committee.
- There should be an understanding of the value of audit; questions for auditors can be uncomfortable but should be constructive.
- Do not put internal audit at the end of the agenda and 'don't shoot the messenger'.
- Audits should be constructive and set out who is responsible, and what improvement actions are required. Audit recommendations should be followed through.
- Internal audit and risk registers should be mapped to ensure they reflect each other.
- Good relationships with external auditors are important. Audit Wales should be listened to, and they could also help by providing resources.

Reports, information, and resources

- Output should be well written, understandable, and engaging to others; the right information should be presented at the right level.
- Committee annual report should be properly reflective and aim to add value to overall governance assurance.
- One page reporting should be encouraged. Reports should be appropriately detailed to enable the committee to discharge their oversight responsibilities. Aim to avoid the papers becoming overwhelming.
- Additional officer explanation should be given on reports with lower levels of assurance.
- There should be meetings with just the internal auditor (no officials).

Meeting administration/support

- Audit committee members should have officers explain things clearly and without jargon, to ensure understanding.
- Minutes should record measurable outcomes. Good quality information is important, and a supporting proforma with report packs is helpful.
- Informal sessions can be used to support knowledge.
- Improved support can improve audit committees and help manage expectation, ensuring clarity around what assurance is needed.
- There should be a focus on 'process, planning and procedure', supported by a good corporate governance function. Consistent guidance can support this.

Meeting duration/cycle/agenda

- The audit committee should have an annual programme with no surprises.
- Agendas should be balanced and cover all areas of remit but avoid repetitive items.
- Board assurance and risk assurance should form the basis of the agenda: risk management should not be done by the audit committee in isolation.
- Additional briefings away from formal meetings can be helpful, as can more informal sessions.
- Should follow through on actions to see impact of change.
- Deep dives can be done for the committee.
- Good pre meetings, management papers and agendas can all help: there should be a good structure for the schedule of business.
- Agendas should allow time for sufficient depth of scrutiny.
- Cyber security should be discussed.

Terms of Reference (ToR)

- A strong terms of reference is crucial and should be updated regularly.
- There should be a clear understanding of roles and authority shown in the ToR.
- The ToR should be adhered to with an avoidance of 'mission creep'.