

Audit and Risk Assurance Committee

Meeting Date	10 June 2026
Title	Review of Committee effectiveness
Author(s)	Patricia Morrissey, Head of Governance
Executive Sponsor	Claire Amor, Executive Director of Corporate Affairs
<p>Executive Summary</p> <p>Each of the Council's committees should review its effectiveness periodically and report to the Council on this assessment.</p> <p>To help inform the Audit and Risk Assurance Committee (the Committee) in its review, the National Audit Office's Audit and Risk Assurance Committee effectiveness tool was circulated to Committee members and regular attendees on 24 March 2026, the responses to which were intended to inform the review of effectiveness to take place at the meeting of the Committee. This was last completed for the Committee in 2025 and it is recommended for use on an annual basis. Eight responses were submitted this year, compared to five in 2025 and three in 2023.</p> <p>The paper provides an analysis of the responses received.</p>	
Action required	The Committee is asked to provide input and feedback to develop the proposal.
Previous consideration	The Committee last reviewed its effectiveness in March 2025.
Next steps	The Chair of the Committee will report to the Council on the results of its assessment of the Committee's effectiveness and any actions or recommendations as part of the Committee Chair's report to the Council.
Financial and resource implications	There are unlikely to be any financial or resource implications, however, this will be determined based on the actions or recommendations agreed as a result of the review.
Associated strategic priority/priorities	Build a resilient, healthy, capable and sustainable organisation

Item 19

Associated strategic risk(s)	5.a The resources we require to achieve our strategy are not in place or are not sustainable
Risk appetite	People - open
Communication and engagement	A questionnaire was circulated to 15 Committee members and regular attendees to complete on 24 March 2026. Eight responses were received.
Equality, diversity and inclusion (EDI) impact and Welsh language standards	None identified.
Other impact assessments	Not applicable
Reason for consideration in the private session of the meeting (if applicable)	Not applicable

Review of Committee effectiveness

1. Background

1.1 To help inform the Audit and Risk Assurance Committee (the Committee) in the review of its effectiveness, the National Audit Office's Audit and Risk Assurance Committee effectiveness tool was circulated to 15 Committee members and regular attendees on 24 March 2026.

1.2 The tool is divided into six parts:

- Membership, independence, objectivity and understanding
- Skills and experience
- Roles and responsibilities
- Scope
- Communication and reporting
- Continual improvement

1.3 There are three ratings for each question:

- **Room for improvement (1):** The Committee is falling short of requirements and should consider how it can work towards becoming more effective in this area.
- **Meeting standards (2):** The Committee is performing to the required standard in this area. There may be room for improvement, but the ARAC can be seen to be discharging its responsibilities effectively.
- **Excelling (3):** This is an area where the Committee is performing beyond the standard expectations and is a real area of strength when it comes to exercising its responsibilities.

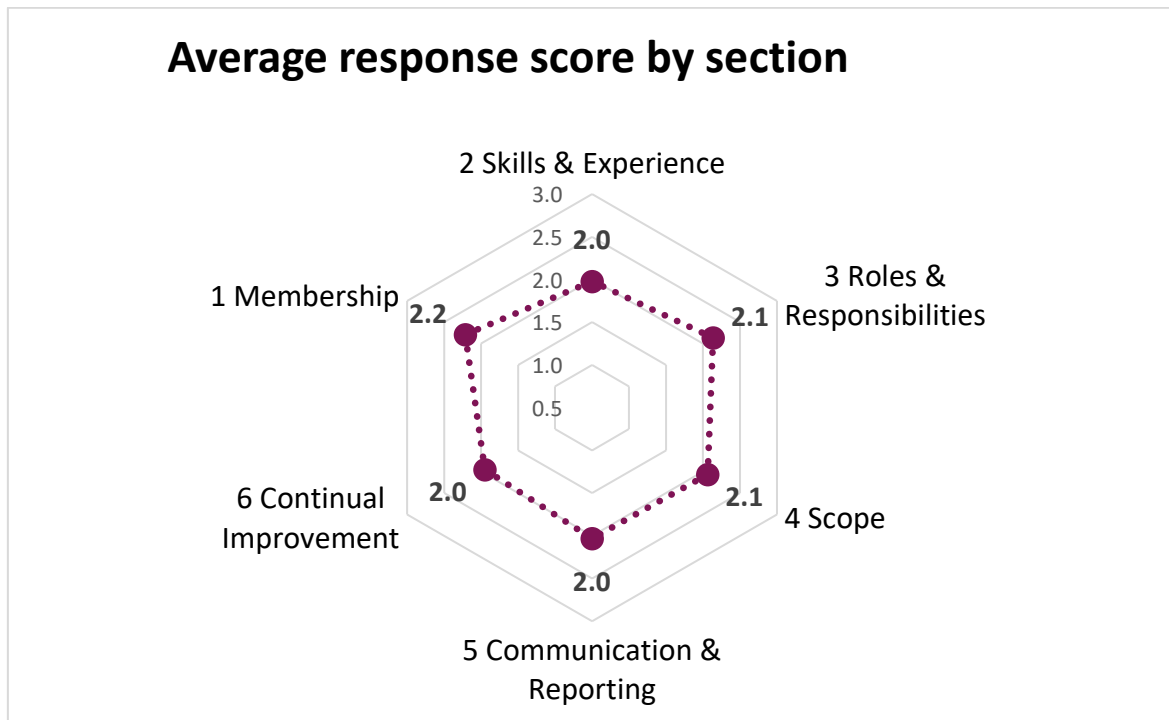
1.4 There are two types of questions in the tool:

- **Essentials** – these questions reflect guidance set out in the body of the HM Treasury Audit and Risk Assurance Committee Handbook.
- **Good practice** – these questions go beyond basic requirements and set a standard for audit and risk assurance committees to demonstrate leading behaviours.

2. Analysis of responses

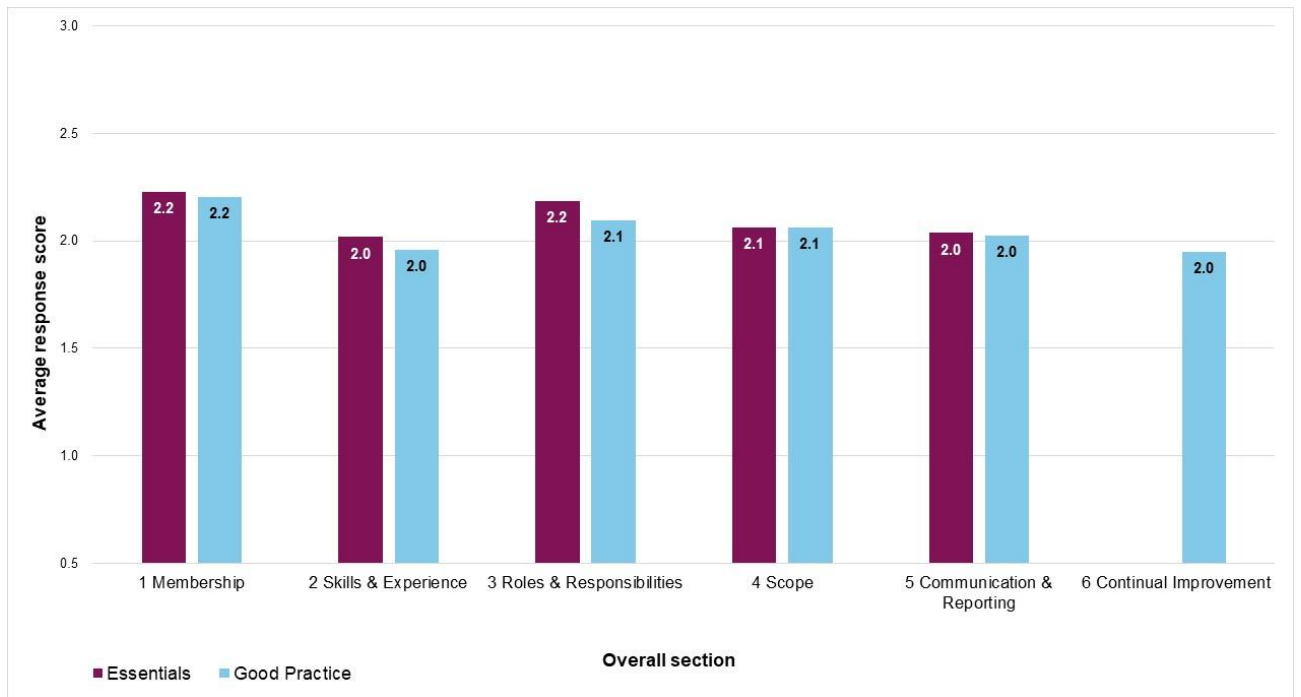
2.1 The chart below shows the average score for each part of the tool. All average scores remain at 2.0 or above, indicating that the Committee continues to perform to the required standards across all areas.

- 2.2 Scores have decreased slightly since the previous review in 2025 but remain higher than those reported when the Committee held a detailed workshop on its effectiveness in 2023. The increase in the number of respondents this year (eight responses, compared to five in 2025 and three in 2023) may have contributed to a broader range of perspectives and a more balanced assessment, and therefore the reductions should be considered in that context.



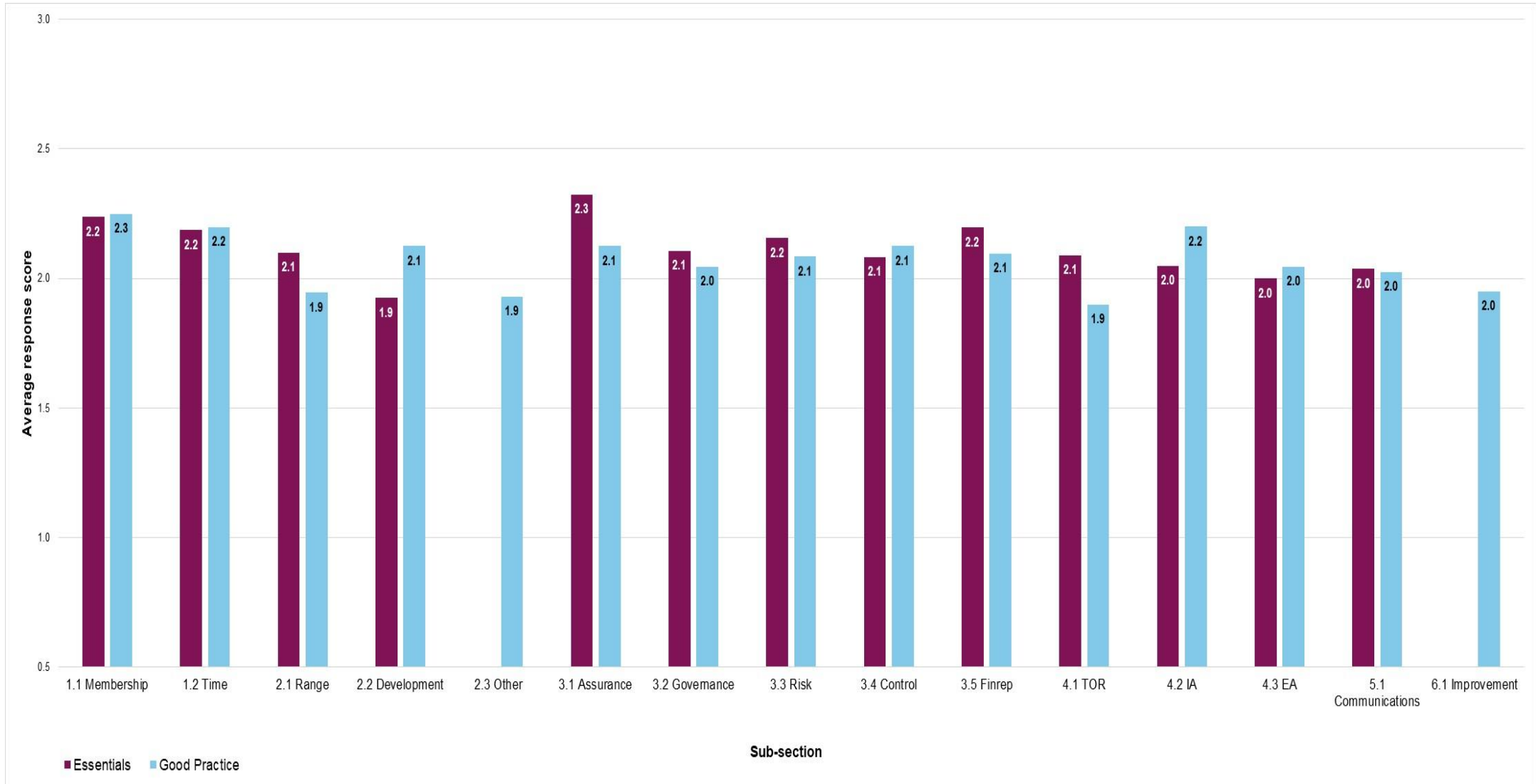
- 2.3 Membership was the highest-scoring area, with an average score of approximately 2.2, as also reflected in the category-level results. Although this represents a slight reduction from last year, it remains a clear area of strength for the Committee, demonstrating continued confidence in its composition, independence, and collective understanding.
- 2.4 The lowest-scoring areas were Continual Improvement, Communication and Reporting, and Skills and Experience, each with average scores of around 2.0. These results suggest that, while the Committee is meeting required standards in these areas, respondents perceive scope for further development in order to move towards excelling performance.
- 2.5 The scores by category are shown in the table below. Again, these illustrate that Membership was the highest scoring area and that all areas scored an average of 2.0 or greater.

Item 19



2.6 Further insight is provided by the sub-category scores shown in the table below. The lowest-scoring sub-category related to the range of skills and experience, particularly in relation to climate change and projects. One free-text response noted that climate change is “not a big focus”. These issues were also raised in the 2025 responses, suggesting an ongoing theme rather than an isolated observation.

Item 19



2.7 In addition to the quantitative scores, several free-text comments highlighted specific areas where respondents felt further clarification or enhancement could be beneficial:

- the availability and use of information relating to near misses, particularly in relation to resilience, fraud, and error;
- a lack of clarity regarding Committee succession planning; and
- the balance between confidentiality and transparency, particularly in relation to attendance at private session items and the involvement of internal auditors.

2.8 Alongside these areas for development, respondents also provided a range of positive comments, highlighting:

- the Chair's effective facilitation of meetings and focus on strategic issues;
- clear and concise reporting, with proactive communication where deadlines change;
- a strong approach to risk management, supported by a culture of continuous improvement; and
- the depth and value of financial, strategic, and risk management experience within the Committee, as well as the contribution of workshops and Council seminars in supporting a strategic focus.

2.9 In response to the comments raised through the survey, the Committee may wish to consider:

- the merit and feasibility of enhanced or more structured reporting on near misses, particularly where this supports organisational learning and resilience;
- the current Committee succession planning arrangements agreed by the Council at its meeting on 21 May 2026 to appoint a lay Council member who will be required to have an accountancy qualification and recent and relevant financial experience to replace the Chair of ARAC who is due to demit office on 31 December 2026;
- how private session agenda items balance confidentiality requirements with appropriate transparency and assurance, particularly in relation to internal auditor attendance. The Committee may wish to consider whether internal audit should routinely be invited to attend the private meeting of ARAC.

3. Conclusions and next steps

3.1 Overall, the results indicate that the Committee continues to operate effectively and in line with required standards. The assessment demonstrates sustained strengths in Committee membership, leadership, and overall governance arrangements, alongside opportunities to enhance effectiveness through targeted refinement rather than structural change.

3.2 The Committee is invited to consider the findings of this review and agree any actions or recommendations arising, which will be reported to the Council as part of the Committee Chair's report.

Contact for further information:

Name: Patricia Morrissey

Role: Head of Governance

Email: patricia.morrissey@hcpc-uk.org