OCAG insights: reviewing the effectiveness of controls

July 2026

This guidance note has been developed for Boards and Audit and Risk Committees to assist them when conducting the annual review of the effectiveness of internal controls and the preparation of the annual statement on internal control.

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Establishing and maintaining an effective system of internal control is an essential element in managing the financial, operational, compliance and strategic risks to a State body. The Board (or equivalent organ) is responsible for the system of internal control within the body and is assisted in discharging this role by the Audit and Risk Committee (ARC).

Corporate governance codes in the public sector require boards to publish an annual statement describing the system of control and confirm that a review of the effectiveness of the system has been conducted. The codes also prescribe other matters to be published in the statement including information on any major failings or lapses in controls.

The introduction of mandatory annual statements on internal control in the Irish public sector has been an innovative and positive support to the system of public accountability. However, boards and ARCs sometimes experience challenges in implementing the Code's requirements in this area, for example whether their processes in assessing the effectiveness of internal controls meet best practice.

This guidance has been developed based on audit observations and sets out good practice examples for boards and ARCs and opportunities for improvement.

Audit insights

This guidance is part of a programme of work to identify and share learning opportunities for bodies by providing information on common recurring issues and good practice examples, identified through our financial audit and performance audit work.

Governance Responsibilities

In most cases, a board (or a similar decision-making structure) leads and directs the State body and together with management is ultimately responsible to the sponsoring Minister for the operation and proper functioning of the body. The board's role includes

- reviewing and guiding strategic direction and major plans of action
- setting performance objectives
- overseeing risk management in the body
- approving annual budgets and business plans
- overseeing major capital expenditure and investment decisions, and
- monitoring implementation and performance.

Legislation establishing the body normally specifies

- the corporate governance arrangements for the body
- the responsibilities of the board including the preparation of annual financial statements, and
- the accountability arrangements.

The board's responsibility for the system of internal control derives from its statutory responsibility to oversee the financial affairs of the body including the preparation of the annual financial statements. Implicit in these financial responsibilities is a requirement for the board to establish and maintain an effective system of internal control.

The *Code of Practice for the Governance of State Bodies* (the Code)[1] provides a framework for the application of best practice in the governance of bodies and sets out guidance on the processes boards should follow when applying the internal control aspects of good corporate governance. The Code also sets out the importance of the Audit and Risk Committee (ARC) in supporting the board discharge its responsibilities in relation to internal controls. The work of the ARC includes advising the board on

- the strategic processes for risk, internal control and governance
- financial reporting by the body
- the work of both internal and external audit

[1] Published by the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation. Similar codes apply in other sectors such as third level education.

- assurances relating to the management of risk and corporate governance compliance
- the system of internal control including anti-fraud policies and procedures.

The legislation establishing the body will usually provide for a chief officer (or equivalent) who reports to the board and is normally accountable to the Committee of Public Accounts (PAC) for the use and safeguarding of resources, and the regularity and propriety of transactions. While day-to-day responsibility for managing and controlling generally the administration of the body rests with the chief officer, the application of approved policies and the operation of effective controls is the responsibility of all staff within a body.

Different governance arrangements

Governance arrangements in place within State bodies will vary depending on their governing legislation, mandate, size and organisational structure. In certain cases, bodies may not have a board but rather they are headed by a single individual who is both the executive head and is responsible for overall governance. This individual will usually be the person accountable to Dáil Éireann.

The Code of Practice made audit committees mandatory within State bodies. Where the body has a board, the audit committee will be a sub-committee of the board comprising members of the board. In addition, an external expert in relevant fields may be co-opted onto the committee where the need arises. Ultimately the board remains responsible for the overall governance of the body including the system of internal control. The manner in which the board decides on the relative governance priorities and the tasks delegated to the audit committee is a matter for its judgement depending upon the circumstances.

Where the body is headed by a single individual without a board, the audit committee is usually advisory and will have no governance responsibility.

A particular provision has been made for accountability in the case of government departments where an Accounting Officer is designated by the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation to be responsible for the preparation of the annual appropriation account. The civil service head of the department or office is normally appointed Accounting Officer on the premise that he/she alone is in a position to account for all monies entrusted to his/her department. As a result, the role of the audit committee in a government department will solely be to advise the Accounting Officer.

While this guidance is primarily written for State bodies with boards, members of audit committees who act in advisory roles may find some of the best practice examples useful in discharging their responsibilities.

Developments in the role of Audit Committees

Traditionally, audit committees were concerned with oversight of risks related to financial reporting and the related internal controls. Where organisations lacked dedicated risk management committees, in many cases risk oversight fell to the audit committee.

The 2016 Code of Practice extended the role of audit committees and combined its role with risk oversight, designating them as 'Audit and Risk Committees' (ARCs). This reflected international developments where ARCs played a more central role in the overall risk management within organisations.

Nevertheless, there will still be instances in the public sector where the board or another board committee has responsibility for risk management and oversight. This can occur in the case of government departments where risk management is usually a function of executive managers due to the specialised nature of the work and the governance responsibilities of the Accounting Officer. Separate risk committees are also common in the health sector where experts are required to deal with clinical risk management or in the financial sector where a separate committee oversees credit risk management.

Even in these situations, the audit committee will still have an organisation wide view, receiving and reviewing reports on the risk management system within the body, to reflect the fact that nearly all risks have a financial impact. This also aligns with the role the audit committee plays in relation to internal audit and assurance more broadly. The audit committee may occasionally hold joint meetings with the other sub-committees to remain apprised of the risk universe and arrange joint reviews into particular risk areas.

Important financial governance concepts in the public sector

For most State bodies, the establishing legislation includes provisions for accountability before the Committee of Public Accounts including responsibilities relating to regularity and propriety. These terms are not usually defined in the establishing legislation, but they are central to public financial governance.

Regularity concerns the legal authority of a body to undertake transactions and the legal entitlement of recipients to the funds disbursed. It is particularly relevant where bodies receive Exchequer funding and reflects Dáil Éireann's concern in ensuring that public money is used only for authorised purposes. It also encompasses whether individual transactions comply with the authority under which they purport to have been carried out, such as approval of staffing numbers or pay rates where that authority is vested in a Minister. Regularity may also apply where the body has statutory powers to levy fees and therefore also relates to the revenue raising authority of the body.

As part of normal transaction processing procedures bodies will implement internal controls to ensure the regularity of expenditure and revenue. These include procedures for translating statutory requirements into rules and operating instructions in order to reduce the risk of material irregularity.

Where irregular transactions occur, such as grant overpayments, management should report the matter to the board outlining the corrective action being taken. In appropriate cases, separate reports may also be made to supervising departments. Where corrective action is not possible, the financial statements should disclose the circumstances and the possible extent of irregular transactions.

Propriety concerns with the way in which public business is conducted, including compliance with governance and ethics codes. Whereas regularity focuses on compliance with appropriate authorities, propriety is broader and relates to standards of conduct, behaviour and corporate governance. It includes fairness, avoiding personal profit from public business, open competition in the award of contracts and the avoidance of waste and extravagance.

The Code and associated guidance[2] include reporting requirements designed to strengthen transparency and public accountability in these areas.

Budgetary control is also central to good public financial governance. Budgetary control involves monitoring actual expenditures against approved budgets so that spending remains aligned with objectives and ensuring that overspending in one area does not compromise essential operations elsewhere.

The Code of Practice and *Public Financial Procedures*[3] emphasise the importance of budgetary controls for ensuring financial discipline and stability, efficient resource allocation, and informed decision-making. As State bodies are ultimately funded through general taxation, levies or charges, they must be transparent and publicly accountable for how resources are spent and compliance with budgetary limits. Accordingly, annual financial statements provide important information on overall budgetary compliance (e.g. whether expenditure has exceeded approved budget allocations), financial health and sustainability.

[2] "A Guide to the Implications for the Annual Financial Statements and the Annual Report" available from the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation's website.
[3] Issued by the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation

Elements of the system of internal control

An effective system of internal control

- supports effective and efficient business operations
- enables the management of risks to the achievement of the body's mandate
- ensures the reliability of internal and external reporting
- safeguards assets, including the prevention and detection of fraud
- enables compliance with budgetary responsibilities and other obligations such as laws and regulations.

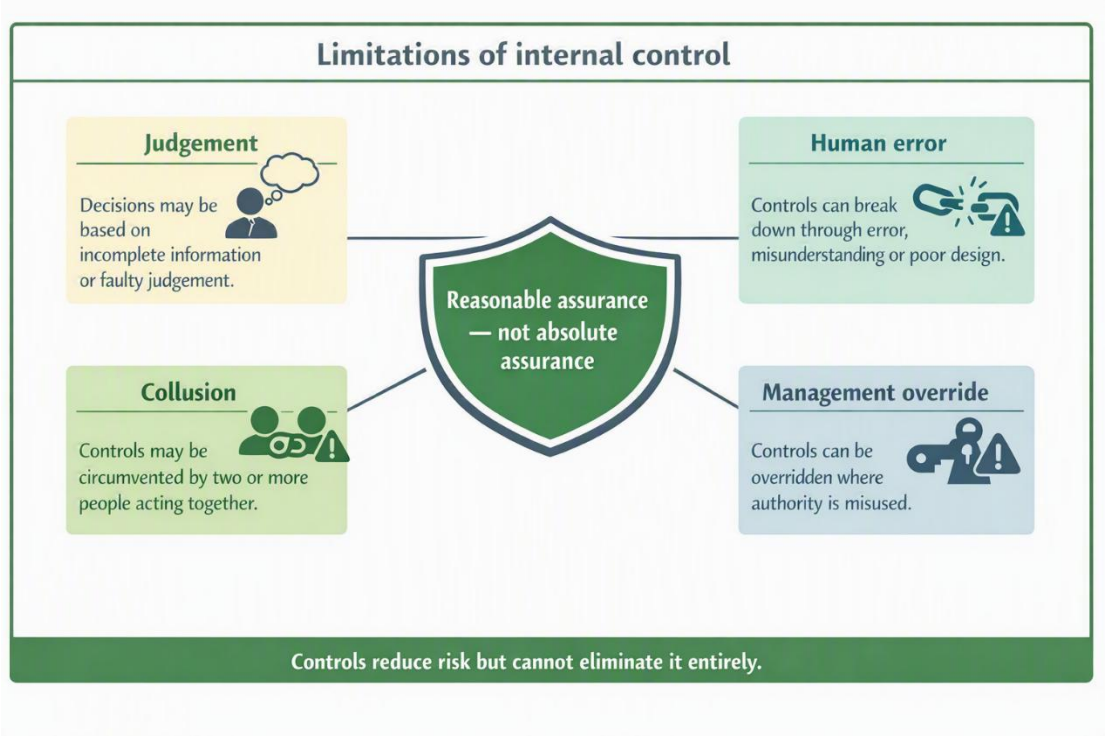
The system of internal control is based on the nature and organisational structure of the body. It is underpinned by policies and procedures, systems (including information technology) and the information embedded within, and is ultimately effected by people. The system of internal control is generally understood to comprise five integrated elements covering operational, reporting and compliance objectives.

The following sets out good practice indicators for each element

Control environment	➢ the board and senior management champion an appropriate culture in the body, continually demonstrating the importance of internal controls and expected standards of conduct throughout the body ➢ the board demonstrates independence from management and exercises effective oversight ➢ management establishes structures and delegates responsibilities for the delivery of objectives, holding people accountable ➢ the board has a strong commitment to attract, develop and retain competent people in the body.
Risk assessment	➢ a risk management framework is established as the basis for managing major risks and which specifies the body's risk appetite ➢ business objectives are clearly specified to enable the identification, assessment and management of the related risks ➢ consideration is given to changes in the external and internal environment when assessing risk and the impact on the system of internal control ➢ fraud, value for money and propriety risks are considered as part of the risk assessment process.
Information and communication systems	➢ systems provide relevant and quality information using both internal and external sources ➢ the various roles and responsibilities relating to internal controls are clearly communicated enabling personnel to understand and discharge their responsibilities ➢ appropriate channels, both internal and external, are established for communicating concerns regarding internal controls.
Control activities	➢ controls are based on well designed policies and procedures ➢ controls mitigate risks to the achievement of business objectives and are implemented throughout the body ➢ controls are established over the use of technology including artificial intelligence .
Monitoring	➢ monitoring includes a combination of review of routine activities (e.g. reports on risks and controls), oversight of operational activities (e.g. ethical compliance reports) and independent assurance (e.g. internal audit, expert security reviews) ➢ evaluations and reviews are conducted in a timely manner to determine whether controls are operating effectively ➢ control deficiencies are identified and communicated within the body and corrective action is taken in a timely manner ➢ appropriate analysis is performed as to why recurring control problems arise (e.g. root cause analysis).

Limitations of internal control

A system of internal control, no matter how effective, can only provide reasonable assurance to the board that the body has achieved its business and financial reporting objectives. There are inherent limitations with any system of internal control



Accordingly, a system of internal control cannot provide absolute assurance that a body will achieve its business objectives or avoid all material errors, losses, fraud, or breaches of laws or regulations.

Notwithstanding these limitations, boards and management should be aware of them when designing and implementing controls so that risks are mitigated to the greatest extent possible.

The importance of internal audit to the system of control

The Code of Practice made internal audit mandatory in the governance arrangements in the Irish public sector and every State body is required to have a properly constituted internal audit function[4].

Internal audit provides independent and objective assurance and consulting activity, designed to add value and improve the body's operations. Accordingly, internal audit plays a key role in providing objective assurance to the board and ARC on the effectiveness of the system of internal control, usually over a rolling period.

The annual internal audit plan should address key business risks and controls related to the major areas of activity through a combination of assessing the reliability of management's monitoring activities and performing its own assurance reviews. The ARC should evaluate the scope and coverage of the plan, rotation of activities, and alignment of reviews to the highest priority risk assurance needs of the body. ARCs should champion internal audit's role and status within the body and ensure it has unrestricted access across the body.

Boards/ARCs [5] should review the effectiveness and efficiency of the internal audit function from time to time. Common types of metrics used by boards/ARCs include

- the extent to which the audit programme has addressed significant risks including how it has responded to emerging risks
- the extent to which internal audit recommendations have been actioned (including timeliness of implementation)
- the ability of internal audit to generate qualitative insights and value for money observations
- the overall clarity of communications
- the manner in which internal audit maintains professional standards, skills and best practice including skills in relation to information technology
- audit efficiency (e.g. percentage of programme completed, average time taken, cost v budget).

[4] Where the size or the risk to the body does not warrant a separate internal audit unit, access to internal audit can be put in place through an arrangement with another State body, or other appropriate arrangement such as external engagement.

[5] Set out in the model internal audit charter in appendix D to the Code.

Statement on internal control

The Code requires an annual statement on the system of internal control in a prescribed format[6]. The statement should give meaningful, high-level information as the board considers necessary to assist the reader's understanding of the main features of the risk management processes and system of internal control in the body. The statement should be tailored to reflect the size and complexity of the body and its significant risks.

The key elements of the statement[7] include

- an acknowledgement by the Chairperson of the board's responsibility for controls
- an explanation of the limitations of the system of internal control
- a description of the key elements of the system of control including
    - steps taken to ensure an appropriate control environment
    - processes used to identify business risks and to evaluate their financial implications
    - details of the major information systems and how financial oversight is exercised (e.g. conformance to budget allocation, analysis of outturn against budgets) during the year
    - the control activities which address the financial implications of major business risks (e.g. delegation practices, segregation of duties, methods of preventing and detecting fraud)
    - monitoring procedures (the role of the ARC, management reviews, internal audit, etc.)
- confirmation of compliance with current procurement rules and guidelines (or disclosure of non-compliance)
- details of any significant control breaches (e.g. weaknesses resulting in material losses or frauds, contingencies or uncertainties, or instances where other elements of the control system were not operational)
- confirmation that the annual review of the effectiveness of control was conducted and a conclusion as to the extent to which controls are adequate and were operating (or where such a review was not conducted, a statement explaining this). The conclusion is normally in the form of a negative assurance i.e. confirmation that there were no significant control breaches.

[6] Set out in Appendix D to the Business and Financial Reporting Requirements of the Code.

[7] Additional guidance on the preparation of the statement is set out in the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation guidance "A Guide to the Implications for the Annual Financial Statements and the Annual Report" available from its website.

The statement should be reviewed by the board to ensure it accurately reflects the control system in operation during the reporting period. Given the relevance of the control systems to the preparation of the financial statements, the statement on internal controls is normally tabled contemporaneously with the annual financial statements for the board approval.

The ARC can assist the board by reviewing the statement before recommending its adoption by the board. While both the board and ARC are involved in the preparation of the statement their areas of focus will differ. The ARC focus is likely to be on the technical and assurance side whereas the board, being able to rely on the work of the ARC, will be more focused on strategic aspects.

The statement is also reviewed by the external auditor to confirm that it reflects the body's compliance with the disclosure requirements of the Code and is consistent with the information of which they are aware from their audit work on the financial statements.

Significant breaches in internal control can occur despite the best efforts of boards/ARCs and management. The statement enables bodies to publicly communicate information relating to significant breaches in internal control by

- describing the nature of the breach and the financial implications
- the actions taken in response including the corrective actions to prevent a recurrence (or an explanation of why no action is considered necessary).

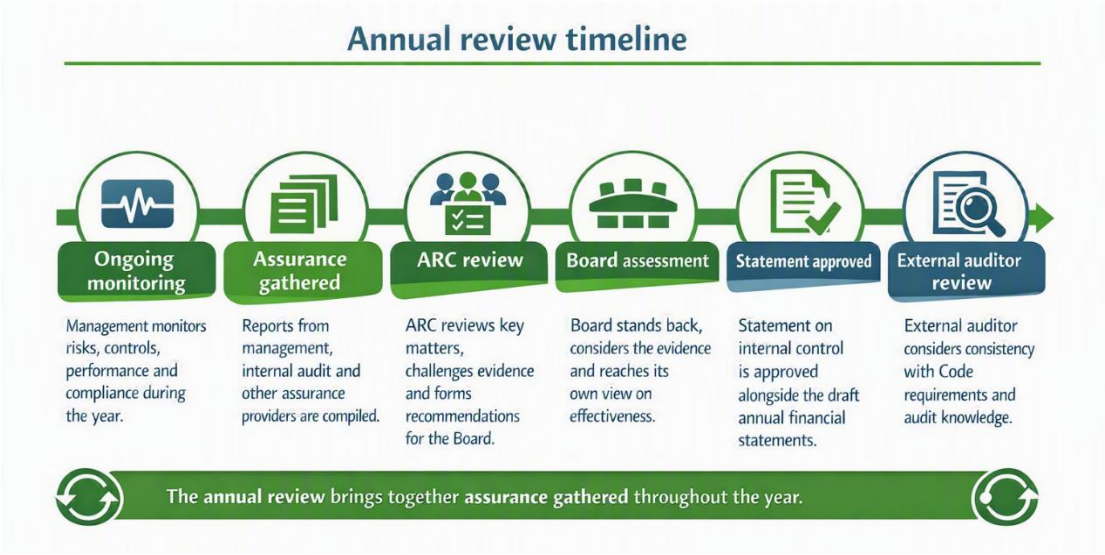
In situations where the State body is parent to subsidiary companies the statement is normally made at the group level on the basis that similar control systems operate throughout the group.

Reviewing the effectiveness of internal controls

Reviewing the effectiveness of the system of internal control is an essential part of the board's responsibilities. In the first instance, management is responsible for the ongoing monitoring of the system of internal control and is accountable to the board for monitoring controls and for providing assurance to it that controls are operating effectively. The board is required to form its own view on the effectiveness of the system of internal control based on the information and assurances provided.

Effective monitoring on a continuous basis is an essential element of a sound system of internal control. However, the board cannot simply rely on the embedded monitoring processes put in place by management in order to discharge its responsibilities. It should regularly receive and review reports on internal control from different sources. The ARC plays a key role in this regard but there are likely to be other sources of information (e.g. internal audit, other management reports, customer surveys).

In addition to the continuous monitoring, the Code requires the board to undertake an annual assessment for the purposes of making its public statement on internal control to ensure that it has considered all significant aspects of internal control up to the date of approval of the financial statements. The following diagram shows an example of an annual review timeline.



Appendix A gives examples of good practice considerations for boards / ARCs when carrying out their responsibilities in relation to the assessment of the effectiveness of internal controls. These questions can be considered either as part of the ongoing review process or the annual review at the end of the financial year.

The annual review and assessment process

The annual assessment provides an opportunity for the board to stand back and consider the overall system of internal control and whether it is achieving the desired outcome for the body.

The board should define the process to be adopted for its review of the effectiveness of internal control, including both

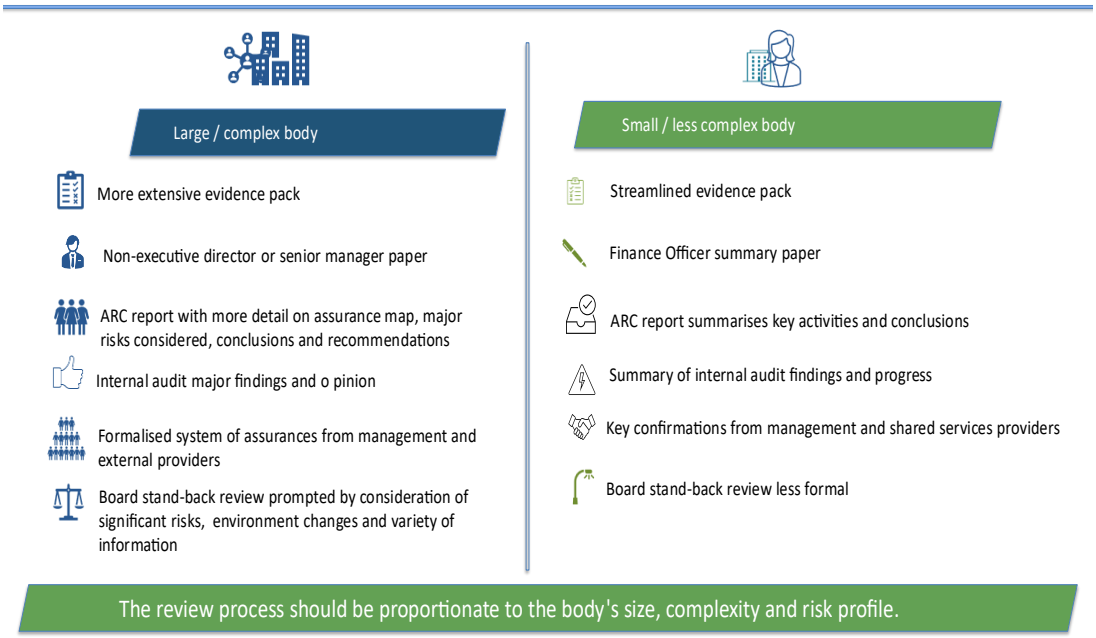
- the scope and frequency of the reports it receives and reviews during the year
- the process for its annual assessment.

Examples of the documentation to be supplied to support the annual review and assessment might include

Even for smaller bodies, the review process should be supported by sufficient documentation to enable the board to assess the effectiveness of the system. Submitting the draft statement on internal control on its own will hardly enable a board to exercise appropriate consideration of the effectiveness of the system.

Appendices B and C set out good practice examples of the different types of information that a board and ARC might receive as part of the annual assessment process, depending

on their size and complexity. The following illustration compares the review and annual assessment process for both.



The board is assisted in the review process by the work of the ARC and therefore some of these elements might be performed by the ARC. If so, the paper from the ARC should explain the assurances provided.

Ultimately, the board is responsible for the system and the disclosures in the statement on internal control. Accordingly, it will need to form its own view on effectiveness based on the information and assurances provided to it. The board minutes should clearly record the conduct of the review and the assessment conclusion reached.

Bodies usually summarise in the statement on internal control the processes applied (where applicable, assisted through its ARC) in reviewing the effectiveness of the system of control.

Appendix A – Questions for Boards and ARCs to consider when assessing the effectiveness of controls

These are example good practice questions for the board/ARC to consider and discuss with management and others when understanding and assessing the effectiveness of the system of internal control. This list is not intended to be exhaustive and should be tailored to the nature and circumstances of the body. Where the answers to questions raise concerns or highlight weaknesses in the system of control, the board/ARC will wish to examine the actions taken in response.

Control Environment

- Does the board champion an appropriate culture within the body, and are processes to support integrity and propriety (e.g. speak up policy) in place and operating effectively?
- How effective is senior management in demonstrating, promoting and communicating the necessary commitment to competence, integrity and propriety, and fostering a climate of trust and professionalism across the body?
- Is there an appropriate emphasis on the management and safeguarding of resources and compliance with annual budget limits?
- Are there appropriate policies and procedures (e.g. code of conduct, human resource policies, performance management systems) to support the business objectives and risk management and internal control system?
- Has senior management clearly communicated the importance of effective risk management and internal controls to all staff?
- How does the body ensure that key personnel have the capability and capacity (including providers of key outsourced services) to support the achievement of the body's objectives and to effectively manage the risks to their achievement?

Risk assessment

- Has the board set out the body's approach to risk taking (e.g. specification of risk appetite across the various activities)?
- Do senior management and staff have a clear understanding of what risks are acceptable to the body?
- Are significant risks identified and assessed on an ongoing basis?
- Is the risk management system responsive to emerging risks / challenges and is it operating effectively?

- Are there clear strategies for dealing with the identified significant risks and for tracking progress in how they are being managed?
- Is risk assessment a standard feature of all major strategic and business planning decisions?

Information systems and control activities

- Is the board/ARC satisfied with the quality of the information being provided so that it can properly evaluate business progress and the related risks?
- Are the IT systems sufficient to ensure timely financial reporting, budgetary compliance and monitoring?
- Are all appropriate channels of communication and information sources being utilised?
- Is the board/ARC satisfied that management provide timely, relevant and reliable information (including from external sources)?
- Are there appropriate controls and forecasting tools to ensure that the body manages its approved annual budget effectively?
- Are there processes in place for dealing with crisis situations (e.g. business disruption) and are they tested periodically?
- Is the board/ARC satisfied that information meets its needs (including where objectives and risk change over time) and supports effective decision-making?
- Is the authority, responsibility and accountability of senior management and staff in relation to control procedures clearly defined and understood?
- Is the body's process for making significant decisions appropriate (including co-ordination across the body, scope and authority to act)?
- How is the board/ARC satisfied that the body learns lessons to avoid a recurrence of past mistakes (e.g. identifies root causes and implements meaningful corrective actions)?

Monitoring and reporting

- Is the board/ARC satisfied with the key ongoing processes embedded within the body which monitor the effective application of the risk management and internal control policies / procedures (e.g. control self-evaluations, compliance confirmation by senior staff, internal audit reviews and expert management reviews)?
- Is the board/ARC satisfied that effective follow-up procedures or actions have been taken in response to changes in risk and control assessments?

- Is the board/ARC satisfied with the timeliness of communication by management on issues arising from the ongoing monitoring processes (e.g. reporting of significant failings or losses)
- Has the body assessed the implications of whistleblowing cases on its overall system of control and desired culture?
- Has the external auditor identified significant control issues and what does this indicate about the operational effectiveness of the internal control systems?
- Is the board/ARC satisfied that reporting procedures (periodic and annual) are effective in communicating a balanced and understandable view of the body's performance, financial position and future outlook?

Appendix B - good practice example for a large / complex State body

The following describes the actual documents used by a large/complex State body to support its annual review and assessment of internal controls and the annual statement.

Paper presented to the board by the Chief Finance Officer within 2 months of financial year end contemporaneously with draft annual financial statements which

- set out the decision required — to approve the statement on internal control subject to no significant change (i.e. pending review by the external auditor)
- detailed the key Code requirements in relation to the statement
- explained the review process and evidential support for the statement including
    - the overall conclusion of the internal auditor on the system of internal control and summary of major audit findings
    - the specific work by internal audit on the draft statement including
        - its review of the policies and procedures governing the production, review and approval of the statement
        - its assessment of the level and type of testing which supported the assertions in the statement (e.g. evidence from managers and relevant reports to support procurement compliance)
        - its assessment of the statement review and approval process, including the level of challenge and scrutiny applied at each level (e.g. who / how were each of the confirmations prepared and considered, and the various sources of information)
        - its assessment of the adequacy of supporting documentation
    - the overall assurances from major external service providers / vendors in relation to the operation of controls and any significant control incidents
    - assurances from key management in relation to the operation of controls throughout the period and compliance with ethical and other obligations
    - the report from the Chair of the ARC (see below)
- confirmed that there were any significant breaches in internal controls (or otherwise would explain the breaches and remedial actions)
- final review points for board members to consider, together with the supporting work/ evidence to address same
    - changes to the business environment and major risks facing the body, and whether the body responded effectively to these risks

- changes in governance, best practice or other requirements in the period and whether the current system of control needs to be amended
- the scope and quality of management's ongoing monitoring of risks and the system of internal control and, where applicable, the work of its internal audit unit and other providers of assurance
- the extent and frequency of the communication of the results of the monitoring to the board by the ARC (and other committees as appropriate) which enables it to build up a cumulative assessment of the state of control in the body and the effectiveness with which risk is being managed
- the significance of control failings or weaknesses identified (if any), the effectiveness of the actions taken to address those failings and what these may indicate about the overall effectiveness of the system of internal control
- review and consideration of issues raised by the external auditor
- whether the appropriate culture has been demonstrated throughout the body and the implications of any undesired behaviours or conduct
- final consideration of whether the description of the internal control system in the statement properly reflects the facts known and understood by the board.

The paper from the Chair of the ARC to the board includes

- the ARC's conclusion and recommendations in relation to the draft statement
- a summary of the major issues considered by the ARC and its conclusions including
  - its review of the assurance map setting out the significant risks and assurance process in place for each (see appendix D)
  - its review of the risk register setting out how the major risks were managed
  - internal audit findings and other assurance reports
  - any significant control deficiencies identified and whether these have been appropriately addressed (e.g. close out of recommendations)
  - the adequacy of financial reporting (where not separately undertaken by a Finance and Budget Committee)
- summary of the significant processes for the preparation of the draft statement by managers including
  - major changes in process since previous year
  - how each assertion in the draft statement was tracked by the person responsible and verified (e.g. supporting documentation)

- review and approval by senior responsible officials (e.g. compliance, procurement, IT, etc)
- review by internal audit of the process

- review of individual assurance statements from major external service providers / vendors and senior management
- review of the ARC's effectiveness.

Appendix C – good practice example for a small / less complex State body

The following describes the actual documents used by a small/less complex State body to support its annual review and assessment of internal controls and the published statement on internal control. Risk and control systems were straightforward with few individuals involved.

Summary paper together with draft statement of control presented by the finance manager within 3 months of financial year end which

- set out its purpose and explained the review process for the statement — decision required to approve draft statement subject to no significant change (e.g. arising from the external auditor review)
- gave a high level summary of the work of the ARC (see below) and internal audit together with progress reports on the implementation of recommendations
- outlined the specific work undertaken (e.g. by internal audit) on the annual statement (e.g. testing a selection of key financial controls)
- summarized key management confirmations (e.g. procurement compliance, assurance statements from shared services, senior management in relation to the operation of controls and ethical compliance)
- confirmed whether there were any significant breaches in internal controls.

The summary of the work of the ARC included

- its conclusion and recommendations in relation to the draft statement
- the main focus of its activities in the year including the major risks considered and its conclusions
- its work on overseeing financial reporting
- a summary of its review of the internal audit work programme and progress in addressing key findings
- its interaction with the external auditor
- any significant control deficiencies identified during the year and whether these have been appropriately addressed
- review of the ARC's effectiveness.

Appendix D – assurance map

The following illustrates an example risk and assurance map showing the manner in which significant risks may be categorised, the related controls and sources of assurance.