

Housing Agency Regulation Office

Assurance and the Critical Role of the Audit and Risk
Committee

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The Development of Corporate Governance

- Relatively recent phenomenon
- Development of ACs in the USA in 1939
- Cadbury Report in 1992 in Ireland and UK



Expansion of the Role of ARC

- Directors arrange for external audit
- NEDs only
- Auditors report through ARC
- Corporate accountability
- Review of Financial Statements



Legal persona

As before +

- Discuss audit plan with external auditors
- Monitoring internal controls
- Monitoring independence of external auditors
- Comply or explain



Growing

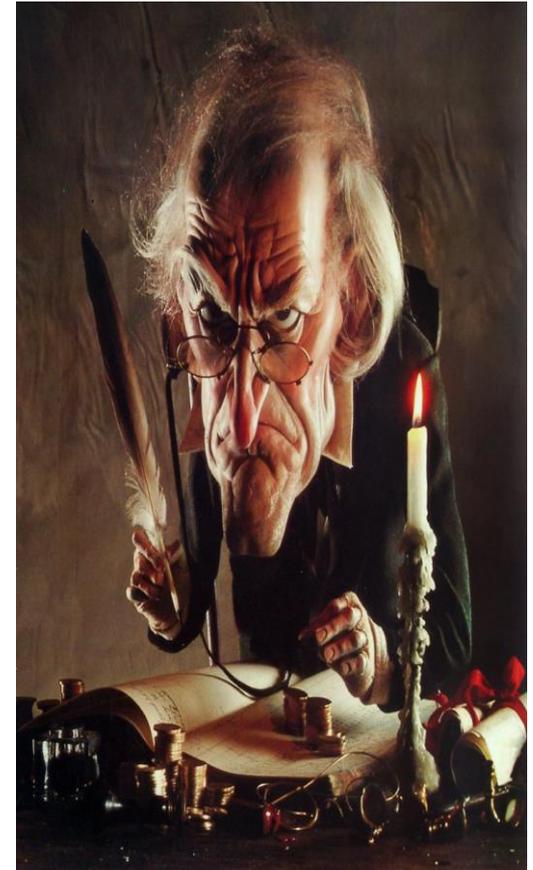
Additional duties

- Risk oversight/Risk Awareness Culture
- Relationship with Internal Auditor
- Oversight of formal announcements
- Non-audit work by auditor
- Ethics Policy
- Monitoring PDA 2014
- Directors' Compliance Certificate
- Taking deep dives
- Value for money



Growing

- Codes of Conduct
- Transparency
- Accountability to Stakeholders
- Relationship with Internal Auditor
- Ethics Policy
- Lobbying Act
- Directors' Compliance Certificate
- Procurement
- Standardised Guidelines
- Performance Reviews



Primary Source

Guidance on Audit Committees, FRC

<https://www.frc.org.uk/getattachment/6b0ace1d-1d70-4678-9c41-0b44a62f0a0d/Guidance-on-Audit-Committees-April-2016.pdf>)

Heart of the Matter



- The ARC acts with reasonable care, skill and diligence
- Members behave ethically and expect ethical behaviour
- Compliance is not be the driver, but we will comply!
- ARC drives the risk awareness culture, but does not inhibit innovation
- ARC is abreast with current developments
- Competencies include financial reporting, auditing, corporate governance, IT, business finance, housing industry, sustainable housing etc.

Individual members of ARC

- Do I understand my own ethical values?
- Am I clear about the ethical values of the organisation?
- Are these sets of values congruent
- Am I diligent in understanding the issues for the ARC?
- Are my skills and competencies up to muster?
- Do I gravitate towards **compliance** or **integrity**?

Go raibh maith agaibh

Ceisteanna ar bith?

