



Government
Internal Audit
Agency

ARAC Chairs – Lessons Learnt

Insights, variability and opportunities for stronger assurance

12 November 2025



Why and how?

- Why?
 - conversations with ARAC Chairs highlighted wide variability in how committees operate across government bodies
 - investigate the causes; learn and improve
- How?
 - interviewed a number of Departmental Audit and Risk Assurance Committee (ARAC) Chairs

Getting Assurance on Risk & Deep Dives

- Use risk registers & systemic reviews for assurance.
- Few departments plan for business continuity when risks crystallise.
- Deep dives: focused, time-bounded, with clear outputs.
- Range / Practice:
 - 30 - 45 mins in ARAC, 2 - 3 hours outside;
 - max 5 / year;
 - use 1-page templates to guide inputs.

Action: request evidence of continuity planning when risks crystallise; use deep dive templates to improve focus and comparability.

Assurance Frameworks

- Maturity varies:
 - smaller ALBs often have clearer assurance frameworks.
 - larger departments - lack of ownership and consistency.
- Framework effectiveness: still “developing.”
- Range / Practice: None → developed assurance frameworks.

Action: request assessment of organisational assurance framework against HMT guidance.

Board & Ministerial Engagement

- Ministers rarely engaged, Boards more so.
- Ministerial and Board engagement via summaries & updates, not attendance.
- Non-Executive Board Member presence on all ARACs.
- Range / Practice:
 - None → strong practice
 - Chair updates at Board meetings verbal or written
 - quarterly ministerial briefings

Action: Agree communication approach with Boards; consider ministerial briefings where appropriate.

AO / Permanent Secretary Engagement

- Engagement stronger than with Ministers, but variable.
- Most effective: monthly 1 - 1 meetings.
- Annual assurance meetings common.
- Range / Practice:
 - Monthly 1–1 → annual.
 - Add ARAC feedback to PS / AO reviews.

Action: Consider making AO engagement with ARACs a formal expectation in job descriptions or annual reviews.

ALBs & Agencies

- Dept landscapes vary from 0 - 40+ ALBs.
- No formal guidance for ARAC interactions; dependent on Chair practice.
- Best assurance via networks, 1 - 1 meetings and observations, rotation into ARACs.
- Range / Practice: None → structured networks.

Action: request departments identify assurance gaps;
governance teams enable departmental ALB ARAC engagement

VFM & Efficiency

- Annual report on VFM the most common, but not granular.
- Efficiency discussion is fragmented.
- No clear examples of good practice.
- Range / Practice: Annual report → occasional targeted discussion

Action: Clarify ARACs' role in VFM and efficiency and seek more targeted cross-cutting insights

Membership & Skills

- Membership varies widely; some gaps (e.g. cyber expertise).
- Mix of Non-Executive Board Members (NEBMs) and independent experts is strongest.
- Meetings vary from 3 -6 hours duration.
- Range / Practice:
 - 4 - 8 members; 2 NEBMs; and one or more independent.
 - Recommend co-opting where skills needed

Action: Assess skills annually and co-opt to cover gaps.

Agenda Control

- Chairs must own agenda, not officials.
- Accounting Officer / Permanent Secretary and Chief Risk Officer (or equivalent) input vital.
- “Exam questions” help presenters focus on ARAC requirements.
- Range / Practice: Strong ARAC control in all large departments.

Action: own the agenda with appropriate inputs

System & Third-Party Risks

- System risks weakest area – silos dominate.
- Supplier assurance often ends at contract award.
- Cyber stronger than other areas.
- Range / Practice:
 - Joint ARACs on a specific risk are few but valuable;
 - structured supplier monitoring recommended.

Action: request management clarity on supplier and system risks; consider joint sessions where risks are shared across departments

Summary

- High variability in ARAC operations across departments.
- Deep dives valuable when structured.
- Assurance mapping weak and inconsistent.
- System risks & cross-department working poorly managed.

‘ARACs work best when structured, outward-looking, and independent. The challenge is moving from variable to consistently strong.’

Closing Reflections

- Variability is the theme: as to be expected!
- Deep dives, frameworks, AO engagement are the strongest levers.
- System risks, VFM, suppliers - the weakest areas.

Actions:

- foster joint ARACs focussed on cross department risks
- push Accounting Officer / Permanent Secretary accountability
- strengthen departmental ARAC engagement

Useful Links

HM Treasury: Audit and Risk Assurance Committee Handbook [Audit and Risk Assurance Committee Handbook - GOV.UK](#)

HM Treasury: The Orange Book: Management of Risk – Principles and Concepts – [Orange Book - GOV.UK](#)

HM Treasury: Assurance Frameworks: [Assurance frameworks guidance - GOV.UK](#)

NAO: Value for Money Reports – [Reports - National Audit Office](#)

Government Internal Audit Agency (GIAA): Cross-Government Insights – on request / on Knowledge Hub

Cabinet Office: Functional Standards – <https://www.gov.uk/government/collections/functional-standards>



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