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**AUDIT COMMITTEE TERMS OF REFERENCE**

**REPORT OF CORPORATE DIRECTOR RESOURCES**

**AGENDA ITEM: 9.3**

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**Reason**

1. To recommend to Council the revised Audit Committee Terms of Reference.

**Background**

2. At its meeting on the 24<sup>th</sup> January 2017, the Head of Finance provided Audit Committee members with the draft Internal Audit Charter 2017-18 which also included a draft revised terms of reference of the audit committee.
3. At the January meeting, members were also asked to consider and provide comments on the direction of the revised draft Audit Committee's Terms of Reference and the draft 2017/18 Internal Audit Charter, both of which will be discussed under separate agenda items at this meeting.
4. A revision to the terms of reference for the Audit Committee requires a report to Council for approval.
5. A Self-Assessment workshop was facilitated in September and a subsequent action plan was tabled at the Audit Committee held on 29 November 2016. The workshop only partly agreed that the purpose of the committee was in accordance with CIPFA's Position Statement. One of the items for action was for the Audit Committee to review its terms of reference with a focus on value for money, governance, performance and risk management

**Issues**

6. The Terms of Reference submitted for recommendation is prescribed by CIPFA which is seen as best practice. In addition, one of the omissions in the current terms of reference is the need for the Audit Committee to approve the Internal Audit Charter which is a key requirement in order to conform to the PSIAS.
7. The Terms of Reference ensures that the Audit Committee has a responsibility to consider the council's arrangements to secure value for money and to monitor the development and operation of risk management in the Council.
8. The revised terms of reference will continue to be the document which clearly sets out the responsibilities of the Audit Committee and informs the business of the committee throughout the year.

**Legal Implications**

9. There are no legal implications arising from this proposal.

**Financial Implications**

10. There are no financial implications arising from this proposal.

**Recommendations**

11. To recommend to Council the revised terms of reference of the Audit Committee.

**CHRISTINE SALTER  
CORPORATE DIRECTOR RESOURCES**

**Appendix A:** Audit Committee Terms of Reference