

AUDIT COMMITTEE
TERMS OF REFERENCE

Governance, Risk & Control

- To review the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.
- To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account the internal audit opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and internal control.
- To consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- To consider the Council's framework of assurance and ensure that it adequately addresses the risk and priorities of the Council.
- To monitor the effective development and operation of risk management in the Council.
- To monitor progress in addressing risk-related issues reported to the committee.
- To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- To review the assessment of fraud risks and potential harm to the council from fraud and corruption.
- To monitor the Counter-fraud strategy, actions and resources.

Internal Audit

- To approve the Internal Audit Charter.
- To approve the risk-based internal audit plan, containing internal audit's resource requirements, the approach to using other sources of assurances and any work required to place reliance upon those other sources.
- To approve significant changes to the risk-based internal audit plan, including audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
- To approve significant interim changes to the risk based internal audit plan and resource requirements.

- To make appropriate enquiries of both management and the audit manager to determine if there are any inappropriate scope or resource limitations.
- To consider reports from the Audit Manager on Internal Audit's performance during the year. These will include:
 - Updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work
 - Regular reports on the results of the Quality Assurance and Improvement Programme
 - Reports on instances where the internal audit function does not conform to the PSIAS and Local Government Application Note considering whether the non-conformance is significant enough that it must be included in the Annual Governance Statement.
- The opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and internal control together with a summary of the work supporting the opinion – these will assist the committee in reviewing the Annual Governance Statement.
- To consider summaries of specific internal audit reports as requested.
- To receive reports outlining the action taken where the Audit Manager has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.
- To contribute to the Quality Assurance and Improvement Programme and in particular the external quality assessment of internal audit that takes place at least once every five years.
- To consider a report on the effectiveness of internal audit to support the Annual governance Statement, where required to do so by the Accounts and Audit Regulations.
- To support the development of effective communication with the audit manager.

External Audit

- To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
- To consider specific reports as agreed with the external auditors.
- To comment on the scope and depth of external audit work and to ensure it gives value for money.

- To commission work from internal and external audit.
- To advise and recommend on the effectiveness of relationships between external and internal audit and other inspector agencies or relevant bodies.

Financial Reporting

- To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
- To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.
- To seek assurances that the Council has complied with the Treasury Management Strategy and Practices by demonstrating effective control of the associated risks and pursuing optimum performance consistent with those risks.

Accountability Arrangements

- To report to Council on the Committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of the governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions.
- To report to Council on an annual basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.
- To raise the profile of probity generally within the Council and to report on matters of concern to the individual Cabinet Member, relevant Scrutiny Committee, Cabinet or to Council as necessary and appropriate.
- To work in synergy with the Scrutiny Committees of the Council and liaise with other Council Committees as and when appropriate to avoid duplication in work programmes.

Training & Development

- To attend relevant training session in accordance with the Member Development Programme including specialist training tailored for Members of the Audit Committee e.g. treasury management.