

## TERMS OF REFERENCE FOR AUDIT COMMITTEE

### Terms of Reference

#### Role

1. To provide independent assurance of the adequacy of the risk management framework and the associated control environment including independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment.
2. To oversee the financial reporting process, including the external audit of the Council's accounts and any matters arising from that audit.

#### Composition

Audit Committee will be an independent committee comprising 5 Council members selected for their interest in and knowledge of audit committee business. Additionally, 2 independent non voting co-opted members may be appointed. Any such appointment should be made on the basis of skill, knowledge, qualification and experience relevant to the role of the committee.

Members nominated by Group Leaders should have a background in accounting or financial control or be able to demonstrate a commitment to and interest in the finances of the Council. Audit Committee members should not be executive members and ideally also not be members of the Scrutiny Committee.

Quorum will be 3 members.

#### Chairman

The chairman shall be appointed on an annual basis by the members of the Full Council. In the absence of the chairman at the meeting a chairman for the day shall be elected from the Committee membership (excluding any co-opted member).

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#### Internal & External Audit Activities

- Contribute to the development of the annual internal audit plan, ensuring that it appropriately reflects the Council's risk profile.
- Approve the annual Internal Audit Plan.
- Consider periodic reports on the performance of Internal Audit.
- Review summary internal audit and external audit reports and the main issues arising from them including seeking assurance that action has been taken where necessary and to recommend further audit enquiries are added to the audit plan where appropriate.
- Consider the Head of Internal Audit's Annual Report and Opinion and the level of assurance given against the Annual Governance Statement published with the annual accounts.
- Monitor the effectiveness of relationships between the Council's internal and external auditors

- Commission or require further enquiries into appropriate issues referred to it by the head of paid service, chief financial officer, internal audit or external audit
- Consider the reports of External Audit including the annual audit letter, value for money assessment, the annual report to those charged with governance and other specific reports as agreed with the External Auditor.

### Regulatory Framework

- Consider the effectiveness of the Council's arrangements for risk management and corporate governance.
- Consider the effectiveness of the Council's anti-fraud and corruption strategies and 'whistle-blowing' policy.
- Monitor through periodic reports progress towards addressing the issues identified within the Annual Governance Statement.
- Consider and approve changes to the Council's Financial Regulations and Contract Standing Orders
- Review the annual Treasury Management Strategy and consider half yearly and annual reports on the activities of the Treasury Management function
- Consider the Council's Annual Governance Statement and ensure that it properly reflects the Council's risk environment.

### Accounts

- Review and approve the Council's annual accounts, including those of the Council's Pension Fund, and in particular that appropriate accounting policies have been followed, and where there are concerns arising from the accounts that these are appropriately addressed and/or brought to the attention of the Executive or Full Council
- Review and monitor actions arising from the Committee's review of the accounts or the external auditor's annual governance report

### General

The Committee can commission and submit reports directly to Executive and/or Full Council as appropriate.