

APPENDIX C

Core functions	TOR	Does?	Comments
<i>Consider the effectiveness of the authority's risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements.</i>	Yes - all	Yes	<ul style="list-style-type: none"> • Considers the RM arrangements annually by way of annual report. Specific role in overview of strategic risk. • Considers control environment via reports by Internal Audit and External Audit and via reports re fraud, governance and procurement
<i>Seek assurances that action is being taken on risk-related issues identified by auditors and inspectors</i>	Yes	Yes	<ul style="list-style-type: none"> • Considers the outcome of all Internal Audit and External Audit reviews, and is able to seek assurance about any issues raised
<i>Be satisfied that the authority's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it</i>	Yes	Yes	<ul style="list-style-type: none"> • Considers the Annual Governance Statement in both draft and final forms and is able to judge whether the AGS reflects the control environment as portrayed by the results of IA and EA work • Receives regular and frequent reports of progress made to address governance and risk issues identified in the AGS • Regularly reviews strategic risks
<i>Approve (but not direct) internal audit's strategy, plan and monitor performance</i>	Yes	Yes	<ul style="list-style-type: none"> • Considers and approves the proposed Internal Audit Plan, including its underlying strategic premise • Receives regular and frequent reports on the progress of the internal audit function including client satisfaction ratings
<i>Review summary internal audit reports and the main issues arising, and seek assurance that action has been taken where necessary.</i>	Yes	Yes	<ul style="list-style-type: none"> • Receives summaries of all Internal Audit reviews and full reports if rated 'high' or 'critical' risk • Able to seek assurance and clarification on any issues arising from the reviews
<i>Receive the annual report of the head of internal audit.</i>	Yes	Yes	<ul style="list-style-type: none"> • Receives the annual report of the head of internal audit
<i>Consider the reports of external audit and inspection agencies.</i>	Yes	Yes	<ul style="list-style-type: none"> • Reviews all the outcomes of External Audit work • Inspection outcomes are considered by Scrutiny Panels • Is made aware through presentations by senior management of the outcomes of inspections and peer reviews

<p><i>Ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted.</i></p>	<p>Yes</p>	<p>Yes</p>	<ul style="list-style-type: none"> • By overseeing the work of both IA and EA, the Committee gets the opportunity to cross refer issues • Considers both Internal Audit and external audit plans and is able to ensure that plans are coordinated and complementary • The extent to which EA can rely on the work of IA is reported as part of the Head of Internal Audit's annual report
<p><i>Review the financial statements, external auditor's opinion and reports to members, and monitor management action in response to the issues raised by external audit.</i></p>	<p>Yes</p>	<p>Yes</p>	<ul style="list-style-type: none"> • Reviews: <ul style="list-style-type: none"> - Draft financial accounts - Final financial accounts - External Audit opinion including VFM - External Audit report to those charged with governance • Monitors responses to EA work