

AUDIT COMMITTEE

TERMS OF REFERENCE / RESPONSIBILITIES

Membership: Eleven members appointed by Annual Council in accordance with political balance regulations and not to include members of the Executive

Purpose:

To provide those charged with governance independent assurance on the adequacy of the authority's governance and risk management frameworks, internal control and the integrity of the financial reporting and annual governance processes

Functions of the Audit Committee

Audit functions

- To act as a key component of the authority's corporate governance, providing an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards
- To provide independent assurance to Council of the adequacy of the risk management framework and the internal control frameworks and oversee the financial reporting and annual governance processes
- To review the council's corporate governance arrangements against the good governance framework and considering governance reports and assurances
- To review the Annual Governance Statement prior to approval by Council and considering whether it properly reflects the risk environment and supporting assurances, taking in account internal audit's opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and 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 risks 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
- To approve the internal audit plan and significant interim changes to the plan
- To consider reports from the head of internal audit on internal audit's performance during the year including updates on work, key findings, issues of concern and action being taken
- To consider the internal audit annual report and supporting information
- To support the development of effective communication with the Head of Internal Audit
- To consider the external auditor's annual letter, relevant reports and the report to those charged with governance
- To comment on the scope and depth of internal 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 inspection agencies or relevant bodies

- To review the annual statement of accounts, considering 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.