

Terms of reference

ARTICLE 17 – AUDIT COMMITTEE

17.1 Membership

17.1.1 Membership of the Audit Committee shall comprise 8 Members appointed by Council. The Chair of the Committee shall be elected by Council and the Vice-Chair shall be appointed by the Committee.

17.2 Terms of Reference

17.2.1 The terms of reference for the Committee are as follows:-

Internal and External Audit:

- (i) Reviewing and ensuring that there are adequate terms of reference for Internal Audit, an Internal Audit strategy and sufficient resourcing.
- (ii) Reviewing and considering the proposed and actual Internal Audit coverage and whether this provides adequate assurance on organisations main business risks and reviewing the performance of Internal Audit.
- (iii) Reviewing arrangements made for cooperation between Internal Audit, External Audit and other review bodies.
- (iv) Receiving the Annual Internal Audit report and opinion.
- (v) Reviewing and considering proposed and actual External Audit coverage and its adequacy.
- (vi) Receiving updates from External Audit on External Audit findings, opinions and adequacy of management response to External Audit advice, recommendations and action plans.

Risk Management

- (vii) Reviewing the adequacy of arrangements for identifying and managing the organisation's business risks - including the Council's risk management policy and strategy and their implementation.
- (viii) Review the robustness of the strategic risk register and the adequacy of associated risk management arrangements.
- (ix) Receive and consider regular reports on the risk environment and associated management action.

Internal Control Arrangements and the Statement on Internal Control

- (x) To conduct a critical review of the proposed Statement on Internal Control (SIC), the procedures followed in its completion and supporting documentation in order to consider:

- how meaningful the SIC is;
 - the robustness of the evidence and assurances on which the SIC is based;
 - whether the SIC discloses adequately the organisation's actions for addressing any significant internal control weaknesses disclosed within the statement.
- (xi) To make recommendations for amendment of the SIC and the associated procedures.
- (xii) To review the effectiveness of internal control across the organisation and the adequacy of action taken to address any weaknesses or control failures.

Anti - Fraud & Corruption Arrangements

- (xiii) To review and ensure the adequacy of the organisation's Anti - Fraud and Corruption policy and strategy and the effectiveness of their application throughout the Authority.
- (xiv) To review and ensure that adequate arrangements are established and operating to deal with situations of suspected or actual fraud and corruption.

Corporate Governance

- (xv) To receive and consider an annual report evaluating the adequacy of application of the Council's corporate governance code (as per the CIPFA/SOLACE framework).
- (xvi) To review and consider the adequacy of the corporate governance strategy and improvement action plan, and its organisational benefits, to develop corporate governance arrangements across the Council and to ensure effective governance in the future.
- (xvii) To receive periodic updates on improvement actions taken as defined in strategy document and associated action plan.

Accounts

- (xviii) To approve the annual Statement of Accounts, including subsequent amendments.
- (xix) To consider the External Auditor's report on the audit of the annual financial statements.
- (xx) To be responsible for any matters arising from the audit of the Council's accounts, including the auditor's opinion on the accounts, identification of any misstatements, comments on the accounting and internal control systems and qualitative aspects of accounting practices and financial reporting.

17.3 Delegated Powers

17.3.1 In exercising the power and duties assigned to the Committee in paragraph 17.2, (iv) and (xviii) above, the Audit Committee shall have delegated power to resolve and to act on behalf of and in the name of the Council.

17.4 Referred Powers

- 17.4.1 To consider and make recommendations on the matters described in paragraph 17.2 (i) to (xx) above. Recommendations in respect of matters described in paragraph 17.2 (x) to (xii) and (xv) to (xx) above shall be made to Cabinet, the Chief Finance Officer and Corporate Leadership Team. Recommendations in respect of the matters described in the remainder of such paragraphs shall be made to the Chief Finance Officer and Corporate Leadership Team.
- 17.4.2 Notwithstanding the above, the Committee may at any time make recommendations to full Council on any matter within its remit.