Audit Committee

Summary Description:

1. The Audit Committee is a key component of the Council's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

2. The purpose of the Audit Committee is to provide independent assurance to the Members of the adequacy of the risk management framework and the internal control environment. It provides independent review of the Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

Membership: 7 Councillors. There can only be a maximum of one Member of the Executive on the Committee (who must not be the Cabinet Member for Resources) and they must not be the Chair.

Independent Person:

The Audit Committee may choose to appoint an Independent Person (IP) to advise and support the Committee. The IP will not be a member of the Audit Committee but would be entitled to attend all the meetings and associated training of the Committee. The IP can receive and comment on any reports submitted to the Committee, including restricted agenda items.

No.	Function	Delegation of Functions
1	<u>Governance, Risk and Control</u> To review the Council's corporate governance arrangements against the good governance framework, including the ethical framework and consider the local code of governance.	None
2	To review the Annual Governance Statement (AGS) prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.	None
3	To consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.	None

4	To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the Council.	None
5	To monitor the effective development and operation of risk management in the Council.	None
6	To monitor progress in addressing risk-related issues reported to the committee.	None
7	To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.	None
8	To review the assessment of fraud risks and potential harm to the Council from fraud and corruption.	None
9	To monitor the counter-fraud strategy, actions and resources.	None
10	To review the governance and assurance arrangements for significant partnerships or collaborations.	None
11	<u>Internal audit</u> To approve the internal audit charter.	None
12	To review proposals made in relation to the appointment of external providers of internal audit services.	None
13	To approve the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.	None
14	To approve significant interim changes to the risk-based internal audit plan and resource requirements.	None
15	To make appropriate enquiries of both management and the Head of Internal Audit to determine if there are any inappropriate scope or resource limitations.	None
16	To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Head of Internal Audit. To approve and periodically review safeguards to limit such impairments.	None
17	To consider reports from the Head of Internal Audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include: a.) Updates on the work of internal audit including key findings, issues of concern and management actions as a result of internal audit work. b.) Regular reports on the results of the Quality Assurance and Improvement Programme (QAIP). c.) Reports on instances where the internal audit function does not conform to the Public Sector Internal Audit Standards (PSIAS) and the associated Local Government Application Note (LGAN) published by the Chartered Institute of Public Finance and Accountancy (CIPFA) considering whether the non-conformance is significant enough that it must be included in the AGS.	None

18	To consider the Head of Internal Audit's annual report, including: a.) The statement of the level of conformance with the PSIAS and LGAN and the results of the QAIP that support the statement. b.) The opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the committee in reviewing the AGS.	None
19	To consider summaries of specific internal audit reports as requested.	None
20	To receive reports outlining the action taken where the Head of Internal Audit 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.	None
21	To contribute to the QAIP and in particular to the external quality assessment of internal audit that takes place at least once every five years.	None
22	To consider a report on the effectiveness of internal audit to support the AGS, where required to do so by the Accounts and Audit Regulations.	None
23	To provide free and unfettered access to the Audit Committee chair for the Head of Internal Audit, including the opportunity for a private meeting with the committee.	None
24	To commission work from internal audit.	None
25	To consider the Council's RIPA policy under the Regulation of Investigatory Powers Act 2000 and the Investigatory Powers Act 2016.	None
26	To consider the Council's use of surveillance in accordance with the Regulation of Investigators Powers Act 2000 and the Investigatory Powers Act 2016.	None
27	<u>External audit</u> To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by Public Sector Audit Appointments (PSAA) or the authority's auditor panel as appropriate.	None
28	To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.	None
29	To consider specific reports as agreed with the external auditor.	None
30	To comment on the scope and depth of external audit work and to ensure it gives value for money.	None
31	To commission work from external audit.	None

32	To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.	None
33	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.	None
34	To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.	None
35	Accountability arrangements To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions.	None
36	To report to full Council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.	None
37	To publish an annual report on the work of the committee.	None

Quorum: 3 Members of the Committee