

APPENDIX 2

The Constitution defines the terms of reference for the Audit Committee as:

Introduction

The Audit Committee's role will be to:

- Review and monitor the Council's audit, governance, risk management framework and the associated control environment, as an independent assurance mechanism;
- Review and monitor the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and/or weakens the control environment;
- Oversee the financial reporting process of the Statement of Accounts.

Decisions in respect of strategy, policy and service delivery or improvement are reserved to the Cabinet or delegated to Officers.

Internal Audit

1. Review and approve (but not direct) the Internal Audit Strategy to ensure that it meets the Council's overall strategic direction.
2. Review, approve and monitor (,–but not direct), Internal Audit's work-planned programme of work, paying particular attention to whether there is sufficient and appropriate coverage.
3. Through quarterly Internal Audit summary reports of work done, monitor progress against the Internal Audit Plan and assess whether adequate skills and resources are available to provide an effective Internal Audit function. Monitor the main Internal Audit recommendations and consider whether management responses to the recommendations raised are appropriate, with due regard to risk, materiality and coverage. s, summaries of Internal Audit reports, their main recommendations and whether such recommendations have been implemented within a reasonable timescale, ensuring that work is planned with due regard to risk, materiality and coverage.
- 2.4 Make recommendations to the Leader of the Council or Cabinet Member for Finance, Property and Business Services on any changes to the Council's Internal Audit Strategy and Internal Audit Plans.
35. Review the Annual Internal Audit Report and Opinion Statement and Summary of Internal Audit Activity (actual and proposed) the level of assurance this can give-provides over the Council's corporate governance arrangements, risk management framework and system of internal controls.

6. Consider reports dealing with the **activity**, management and performance of Internal Audit.
4. Following a request to the Corporate Director of Finance, and **subject in consultation with to the approval of** the Leader of the Council or Cabinet Member for Finance, Property and Business Services, to **commission request** work from Internal Audit.

External Audit

- ~~68~~. Receive and consider the External Auditor's annual letter, relevant reports and the report to those charged with governance.
- ~~79~~. Monitor management action in response to issues raised by External Audit.
- ~~810~~. Receive and consider specific reports as agreed with the External Auditor.
- ~~911~~. Comment on the scope and depth of External Audit work and ensure that it gives value for money, making any recommendations to the Corporate Director of Finance.
- ~~4012~~. Be consulted by the Corporate Director of Finance over the appointment of the Council's External Auditor.
- ~~4413~~. Following a request to the Corporate Director of Finance, and **subject to the approval of in consultation with** the Leader of the Council or Cabinet Member for Finance, Property and Business Services, to commission work from External Audit.
- ~~4214~~. Monitor **effective** arrangements for ensuring **effective** liaison between Internal **Audit** and External **auditAudit**, in consultation with the Corporate Director of Finance.

Governance Framework

- ~~4315~~. Maintain an overview of the Council's Constitution in respect of contract procedure rules and financial regulations **a**. **And**, where necessary, bring proposals to the Leader of the Council or the Cabinet for their development.
- ~~4416~~. Review any issue referred to it by the Chief Executive, Deputy Chief Executive, Corporate Director, **or** any Council body **or external assurance providers including Inspection agencies**.
- ~~4517~~. Monitor and review, but not direct, the authority's risk management arrangements, including regularly reviewing the Corporate Risk Register and seeking assurances that **appropriate** action is being taken on **managing** risk **related issues**.

4618. Review and monitor Council **strategy and** policies on **anti-fraud and anti-corruption including the** 'Raising Concerns at Work' **and anti-fraud and anti-corruption strategy policy and the Council's complaints process**, making any recommendations on changes to the **relevant Corporate Director in consultation with the** Leader of the Council **and the Deputy Chief Executive and Corporate Director of Residents Services**.

4719. Oversee the production of the authority's **Statement of Internal Control Annual Governance Statement** and recommend its adoption.

4820. Review the Council's arrangements for corporate governance and make recommendations to the Corporate Director of Finance on **necessary suggested** actions to **ensure compliance improve alignment** with best practice.

2149. Where requested by the Leader of the Council or Cabinet Member for Finance, Property and Business Services or Corporate Director of Finance, provide recommendations on the Council's compliance with its own and other published standards and controls.

Accounts

2022. Review and approve the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from financial statements or from the **external** auditor that need to be brought to the attention of the Council.

2123. Consider the External Auditor's report to those charged with governance on issues arising from the **external** audit of the accounts.

Review and reporting

24. Undertake an annual independent review of the **Audit** Committee's effectiveness and submit an annual report to Council on the activity of the Audit Committee.