

AUDIT COMMITTEE - Terms of Reference

1. Introduction

- 1.1 The Council will appoint the Audit Committee to discharge the functions conferred by the Accounts and Audit Regulations 2015 in relation to the matters set out below and specifically to consider the Council's Financial and Governance arrangements, relating to the system of internal control and the effectiveness of internal audit, the annual governance statement; including the arrangements for the management of business risks, in compliance with Regulations 3 and 6 of the Accounts and Audit Regulations 2015 and any subsequent legislation.
- 1.2 The number of meetings and Terms of Reference of the Audit Committee may be reviewed from time to time by the Governance Committee which may report to the Council.

2. Membership of the Committee

- 2.1 All Members of the Council, except members of the Cabinet or their deputies and the Chairman of the Council, may be members of the Audit Committee. However, no Member may be involved in reviewing a decision in which he/she has been directly involved.
- 2.2 The Committee will be made up of 9 elected Members, one of which shall serve as Chairman, that follow the political proportionality of the Council. The Chairman will not be a member of any Cabinet Advisory Committee. The membership of the Committee can be found at Appendix H - Membership of Council Committees, Cabinet and Advisory Committees.
- 2.3 The Audit Committee shall be entitled to recommend to Council the appointment of up to two additional co-opted non-voting members. Any co-opted members must have the necessary technical knowledge and skills to be of value to the business of the Committee.

3. Terms of Reference of the Audit Committee

Audit Activity

- (a) To review, in collaboration with the Audit, Risk and Anti-Fraud Manager, the Internal Audit Charter on an annual basis and to consider and approve any further development of the Council's Internal Audit Charter, Strategy or terms of reference such as shall be appropriate.
- (b) To consider and approve the annual internal audit plan, including a summary of internal audit activity regarding the level of assurance that it can give over the Council's internal control, corporate governance and risk management arrangements. Further, to commission work as required from both Internal and External Audit.
- (c) To consider the Audit, Risk and Anti-Fraud Manager's annual

- report and assurance opinion.
- (d) To consider quarterly progress reports from the Audit, Risk and Anti- Fraud Manager regarding the progress of the Annual Internal Plan. The Committee may request to review any individual audit report should they or the Audit, Risk and Anti-Fraud Manager deem it appropriate to do so.
 - (e) To consider a report on the progress of all recommendations made by internal audit and other external regulatory or review agencies.
 - (f) To receive and consider the annual report on the review of the effectiveness of the internal audit function.
 - (g) To consider confidential reports on investigations carried out by Internal Audit of suspected fraud; corruption or bribery allegations within the Council or its partners.
 - (h) To make proper arrangements regarding the appointment of the Council's External Auditor; to consider the appointed External Auditor's annual letter, relevant reports, and the report to those charged with governance.
 - (i) To comment on the scope and depth of external audit work and to ensure it gives value for money.
 - (j) To consider any external audit report resulting from the Statement of Accounts and any recommendations and comments received from the District Auditor.

Regulatory Framework

- (k) To maintain an overview of the effective development and operation of corporate governance and risk management in the Council, and to monitor compliance with statutory duties and the Council's Constitution in respect of Financial and Contract Procedure Rules.
- (l) To monitor Council policies on 'Raising Concerns at Work'; the anti- fraud and anti-corruption strategy; the Bribery Act; and the Council's complaints process; including the Council's whistleblowing arrangements.
- (m) To consider and approve the Council's Annual Governance Statement and recommend its adoption to Council
- (n) To monitor the Council's arrangements for corporate governance and if necessary to recommend actions to ensure compliance with best practice; and to also consider compliance with the Council's own and other published standards and controls.
- (o) To receive and consider reports from the monitoring officer on lawfulness and/or maladministration; to review any issue referred by the Chief Executive, a Chief Officer, or a Statutory Officer.
- (p) To monitor the implementation of the Members' Allowance Scheme.

Accounts

- (q) To review the annual Statement of Accounts. Specifically to consider whether appropriate accounting policies, including International Financial Reporting Standards, 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.
- (r) To approve the Statutory Statement of Accounts when the deadline for approval does not allow approval by full Council.
- (s) To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts, and comments received from the District Auditor.

Audit Committee 2019/20 - Work Plan (as at 20/06/19)

	18 July 2019	17 September 2019	28 January 2020	26 March 2020
Internal Audit (Irregularities to be reported confidentially as & when necessary)	Internal Audit Annual Report & Annual Opinion 2018/19 Internal Audit Progress Report 2019/20	Internal Audit Progress Report 2019/20 Audit Partnership Self-Assessment against PSIAS	Internal Audit Progress Report 2019/20	Internal Audit Progress Report 2019/20 Internal Audit Progress Plan 2020/21
Risk Management		Risk Management Update 2019		
Accounts and External Audit	Statement of Accounts 2018/19		External Audit - Annual Audit Letter 2018/19 External Audit - Housing Benefit Subsidy 2018/19	Annual Governance Statement 2019/20 External Audit - Annual Audit Plan 2019/20 Statement of Accounts 2019/20 - Establishment of Member Working Group

	18 July 2019	17 September 2019	28 January 2020	26 March 2020
Other	Audit Committee Terms of Reference Local Code of Corporate Governance Review of the Effectiveness of the Audit Committee 2018/19 Counter Fraud and Compliance Report 2018/19	Members' Allowance Scheme Monitoring		Annual Report to Council
Members Development Briefings	Topics to be selected for 2019/20 (Appendix A)	Proposed: Internal Audit Standards	Proposed: Risk Management	Proposed: Reviewing the Annual Governance Statement