

## Appendix A

### 6. The Audit Committee

<b>Appointed by:</b>	The Council under Section 101 of the Local Government Act 1972
<b>No of Members:</b>	7 including no more than one member of an overview and scrutiny committee other than the Corporate Resources Overview and Scrutiny Committee. A member of the Executive may not be a member of the Audit Committee.
<b>Chairman and Vice-Chairman appointed by:</b>	The Council
<b>Quorum</b>	At least 50% of the membership of the Committee
<b>Frequency</b>	Quarterly
<b>Venue</b>	As set out in the approved Calendar of Meetings <sup>1</sup>  1 unless otherwise agreed by the Chairman, Monitoring Officer or Committee by resolution.
<b>Co-opted members</b>	None

## 6.1 Terms of Reference

### *Statement of Purpose*

The purpose of the Audit Committee is to provide independent assurance on the adequacy of the risk management framework and the associated control environment, independent scrutiny of the Authority's financial and non-financial performance to the extent that it affects the Authority's exposure to risk and weakens the control environment, and to oversee the financial reporting process. Where the Authority risk is extended into partnerships with other Authorities and contracts with suppliers, then the Committee will be empowered to request the attendance of the third parties to provide an entire picture of both audit and risk.

The Audit Committee has the following specific responsibilities:-

### *Audit Activity*

- 6.1.1 To consider and approve the internal Audit strategy and receive periodic reports on its operation.
- 6.1.2 To approve, amend and monitor progress against the internal Audit Strategy and Plan.
- 6.1.3 To consider the annual report from the Head of Audit, Risk and Health and Safety including a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's control environment.
- 6.1.4 To consider summaries of specific internal audit reports, as requested.
- 6.1.5 To consider whether internal audit services provided are effective, monitoring any areas identified for improvement.
- 6.1.6 To consider periodic reports from the Head of Audit, Risk and Health and Safety on whether agreed internal audit recommendations have been suitably addressed within a reasonable timescale.

- 6.1.7 To consider and note the external auditor's annual management letter and opinion and progress reports in accordance with their annual work programme.
- 6.1.8 To consider specific reports from the external auditor and determine whether suitable responses/actions have been taken.
- 6.1.9 To comment on the scope and depth of external audit's work and to help ensure it provides value for money.
- 6.1.10 To liaise with the Audit Commission over the appointment of the Council's external auditor.
- 6.1.11 To commission work from both internal and external audit.

*Regulatory Framework*

- 6.1.12 To review any issue referred to it by the Chief Executive or a Director, or any Council body.
- 6.1.13 To approve the Risk Management Policy Statement and monitor the operation thereof.
- 6.1.14 To approve the Anti-Fraud and Corruption Policy and monitor the operation thereof.
- 6.1.15 To maintain an overview of the Council's Confidential Reporting Code and to recommend the Council on any amendments required thereto.
- 6.1.16 To approve the Local Code of Governance and monitor the operation thereof.
- 6.1.17 To oversee the production of the Annual Governance Statement and to approve its adoption, when satisfied it properly reflects the governance arrangements and the management of risk, and any significant actions required to improve it.

### *Accounts*

- 6.1.19 To 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 the financial settlements or from the audit that need to be brought to the attention of the Council.
- 6.1.20 To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

## **6.2 Limitation of Powers**

- 6.2.1 The Committee has full delegated powers, except in so far as the limitations provided in 6.1.15 above.
- 6.2.2 The Council will receive a report from the Chairman of the Audit Committee on the Committee's activities twice each year.
- 6.2.3 In addition, the minutes of each meeting of the Committee will be presented to the next appropriate meeting of the Executive.