

## Appendix 1 – Audit Committee Terms of Reference

### Statement of Purpose – Audit Committee as May 2022

The purpose of an audit committee is to provide independent assurance of 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.

**Membership** – nine members

### Audit Activity

- To consider the Head of Audit Partnership's annual report and opinion, and a summary of audit activity (actual and proposed) and the level of assurance it can give over the council's governance arrangements, and any report from Internal Audit on agreed recommendations not implemented within a reasonable timescale.
- To consider reports dealing with the management and performance of Internal Audit Services, including consideration and endorsement of the 3 year Strategic Internal Audit Plan;
- To consider the external auditor's annual letter, the report to those charged with governance, and any specific reports as agreed with the external auditor;
- To liaise with the Audit Commission over the appointment of the Council's external auditor, comment on the scope and depth of external audit work and ensure that it gives value for money;
- To oversee the appointment of the Council's external auditor, comment on the scope and depth of external audit work and ensure that it gives value for money;

Commented [JH1]: To add

Commented [JH2]: To be deleted

Commented [JH3]: To add

### Regulatory Framework

- To review any issue referred to it by the Chief Executive or the Director or any Council body;
- To monitor the effective development and operation of risk management and corporate governance in the Council.
- To monitor council policies on 'Whistleblowing' and the 'Anti-fraud and Corruption Strategy';
- To consider and comment on the authority's Annual Governance Statement and agree its adoption as part of the approval of the annual accounts.
- To consider the Council's arrangements for governance and whether adequate safeguards are in place to secure compliance with its own and other published standards and controls and best practice.

### Accounts

- To review and approve the annual statement of accounts. Specifically, to consider whether there are concerns arising from the financial statement or from the audit that need to be brought to the attention of the Cabinet or the Council;
- To review and approve the annual statement of accounts. Specifically, to consider whether there are concerns arising from financial statement or from the audit that need to be brought to the attention of the Policy and Resources Committee or the Council;
- To consider the external auditor's report to those charged with governance on issues from the audit of the accounts.

Commented [JH4]: To be deleted

Commented [JH5]: To add

- To be responsible for ensuring effective scrutiny of the treasury management strategy and policies (Note: Council is responsible for adopting the Treasury Management strategy and policy).

**Reporting**

- To present an annual report to the Council providing assurance that the responsibilities of the Committee have been met.