

Appendix 2a: Delivering the Audit Committee's Terms of Reference

CIPFA Good Practice Functions	Agenda item / action taken	Comments
Regulatory Framework		
<ul style="list-style-type: none"> To review the corporate governance arrangements against the good practice governance framework. 	<ul style="list-style-type: none"> The Articles of Association and Code of Governance was reviewed and amended in 2016 	<ul style="list-style-type: none"> No significant issues reported
<ul style="list-style-type: none"> To consider annual governance reports and assurances. 	<ul style="list-style-type: none"> Manager Assurance Statements (May) Also refer other annual reports (see below) 	<ul style="list-style-type: none"> No significant issues reported
<ul style="list-style-type: none"> To review the Annual Governance Statement prior to approval. 	<ul style="list-style-type: none"> Annual Governance Statement and Action Plan (May) 	<ul style="list-style-type: none"> No significant issues reported
<ul style="list-style-type: none"> To consider the arrangements to secure value for money and their effectiveness. 	<ul style="list-style-type: none"> Value for Money Strategy (Oct 2016) 	<ul style="list-style-type: none"> Approved
<ul style="list-style-type: none"> To consider the adequacy of the assurance framework of assurance. 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Audit Risk Assessment with Assurance Mapped will be updated
<ul style="list-style-type: none"> To monitor the maintenance and operation of the risk management framework. 	<ul style="list-style-type: none"> Risk Management Strategy and Appetite Report (May 2016) Risk Management Exception Report (Jul 2016) 	<ul style="list-style-type: none"> No significant issues highlighted
<ul style="list-style-type: none"> To monitor the maintenance and operation of the anti fraud, corruption and bribery framework. 	<ul style="list-style-type: none"> Whistle Blowing Incidences an agenda item at each Audit Committee meeting Counter Fraud & Investigations Directorate Annual Report and Plan (May 2016) Counter Fraud & Investigations Directorate Performance Reports (Feb 2017) 	<ul style="list-style-type: none"> Identification of and level of action taken against fraud, has improved
<ul style="list-style-type: none"> To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions. 	<ul style="list-style-type: none"> Annual Governance Statement Action Plan Update (Oct 2016) 	<ul style="list-style-type: none"> Good progress is being made to implement these actions

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Financial Reporting		
<ul style="list-style-type: none"> • To review the annual statement of accounts and accounting policies. 	<ul style="list-style-type: none"> • Draft Audited Accounts including External Auditors Report (Jul) 	<ul style="list-style-type: none"> • Unqualified audit opinion given
Treasury Management		
<ul style="list-style-type: none"> • To review: <ul style="list-style-type: none"> • the treasury management policy and procedures • regular reports on activities, issues and trends • treasury risk profile and adequacy of treasury risk management processes. 	<ul style="list-style-type: none"> • Treasury Management Strategy and Annual Reports (May 2016) • Budget Monitoring and Management Accounts / Assurance Report (each meeting) 	<ul style="list-style-type: none"> • No significant issues raised
Internal Audit		
<ul style="list-style-type: none"> • To appoint the internal auditors. 	<ul style="list-style-type: none"> • Three year Service Level Agreement approved from 1 April 2016 	<ul style="list-style-type: none"> • None
<ul style="list-style-type: none"> • To approve the internal audit charter, risk-based internal audit plan and budget. 	<ul style="list-style-type: none"> • Charter, Strategy and Audit Plan (Feb) 	<ul style="list-style-type: none"> • None
<ul style="list-style-type: none"> • To consider reports from the Head of Internal Audit on the team's performance during the year, including specific concerns or amendments to the audit plan. 	<ul style="list-style-type: none"> • Quarterly Performance Report (each meeting) 	<ul style="list-style-type: none"> • None
<ul style="list-style-type: none"> • To consider the Head of Internal Audit's annual report. 	<ul style="list-style-type: none"> • Head of Internal Audit Annual Report (May) 	<ul style="list-style-type: none"> • Satisfactory audit opinion given, with comment about contract letting / management arrangements • Substantial compliance with professional standards

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<ul style="list-style-type: none"> To contribute to the independent external quality assessment completed every five years. 	<ul style="list-style-type: none"> Planning for summer 2017 	<ul style="list-style-type: none"> Due before 31 March 2018
<ul style="list-style-type: none"> To support the development of effective communication with the Head of Internal Audit. 	<ul style="list-style-type: none"> Private meetings held 	<ul style="list-style-type: none"> None
External Audit		
<ul style="list-style-type: none"> To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance. 	<ul style="list-style-type: none"> External Audit Strategy (Feb2016) Draft Audited Accounts including External Auditors Report (Jul) 	<ul style="list-style-type: none"> Unqualified audit opinion given No significant issues raised
<ul style="list-style-type: none"> To comment on the scope and depth of external audit work and to ensure it gives value for money. 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Although no formal evaluation undertaken, the company is satisfied with external audit's performance
Audit Committee Accountability Arrangements		
<ul style="list-style-type: none"> To report to the Board / Council on whether the Annual Governance Statement reflects the evidence it has seen throughout the year in the areas outlined above. 	<ul style="list-style-type: none"> Annual Report including Annual Manager Assurance Statements and the Annual Governance Statement (May) 	<ul style="list-style-type: none"> No significant issues identified
<ul style="list-style-type: none"> To report to the Board regularly, in its performance in delivering its Terms of Reference. 	<ul style="list-style-type: none"> Terms of Reference Review and Work Programme (Feb 2016) Board approve meeting minutes (each meeting) Annual Performance and Effectiveness Review / Annual Report (May) 	<ul style="list-style-type: none"> Assessed against good practice guidance No significant areas of non compliance identified

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Other functions		
Financial Management		
<ul style="list-style-type: none"> To set and monitor the delivery of the budget 	<ul style="list-style-type: none"> Budget Monitoring and Management Accounts / Assurance Report (each meeting) Financial Regulations and Scheme of Delegation Review (May 2016) Financial Accounting Policies (Feb 2017) Budget Proposals 2017/18 (Feb 2017) 	<ul style="list-style-type: none"> No concerns raised about the financial viability of the firm or in year management of the budget
Residential Scrutiny Panel		
<ul style="list-style-type: none"> To consider the annual work programme and work of the Panel. 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> No work completed this year so attendance not required
Items additional to Good Practice Requirements		
<ul style="list-style-type: none"> To monitor the financial position and governance of Atilius / South Essex Property Services. 	<ul style="list-style-type: none"> South Essex Property Services Management Accounts and Budget Position update 31 March 2016 (May 2016) Financial Assurance Update Report (Jul 2016) 	<ul style="list-style-type: none"> None
<ul style="list-style-type: none"> To report on action taken to address issues raised in the Careline Internal Audit report 	<ul style="list-style-type: none"> Careline Internal Audit Action Plan Update 	<ul style="list-style-type: none"> Action taken noted
<ul style="list-style-type: none"> To update the Audit Committee on progress made in finalising the ICT Review which will form part of the strategy in development of the final ICT SLA 	<ul style="list-style-type: none"> ICT SLA Update Report 	<ul style="list-style-type: none"> Action taken noted