

8. Audit Committee Terms of Reference

8.1 Membership

Nine Members of the Council and one non-voting co-opted member.

The membership should include:

- a Chairman who is not an Executive Councillor
- at least one member with financial expertise.

The membership should not include:

- more than one Councillor who is also a member of Cabinet
- the Councillor who is the Cabinet portfolio holder for corporate services.

Substitutes: Permitted in accordance with Standing Order 31.

Proportionality: Applies.

8.2 Quorum

As per Standing Order 38.1

8.3 Terms of Reference

8.3.1 The Audit Committee is a key component of the Council's corporate governance arrangements. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

8.3.2 Therefore the purpose of the Audit Committee is to:

- provide the Council with independent:
 - assurance of the adequacy of the risk management framework and the internal control environment
 - review of its governance, risk management and control frameworks.
- oversee:
 - the financial reporting and annual governance processes
 - internal audit and external audit, helping to ensure effective relationships exist and efficient and effective assurance arrangements are in place.

8.3.3 In order to be able to discharge its statutory responsibilities, its remit will cover the Council's:

- assurance statements including the Annual Governance Statement, so it can satisfy itself that they:
 - properly reflect the risk environment and any actions required to improve it
 - demonstrate how governance supports the achievements of the Council's objectives.
- Internal Audit function, with regards to its:

- independence, objectivity, performance, professionalism and effectiveness
- use within the Council's overall assurance framework.
- risk management arrangements and control environment so it can:
 - consider its effectiveness
 - review:
 - the organisation's risk profile
 - assurances provided that action is being on risk related issues, including those involving partnerships with other organisations.
- control environment, so it can evaluate its effectiveness, particularly with regard to ensuring:
 - value for money is delivered
 - the exposure to the risks of fraud and corruption are managed.
- reports and recommendations made by external audit and inspection agencies and their implications for governance, risk management or control
- the financial statements, external auditor's opinion and reports to Members and responses by management to issues raised by external audit
- treasury management, so it can effectively scrutinise and monitor delivery of the strategy and policies in accordance with the CIPFA Treasury Management Code of Practice
- the functions and effectiveness of the Audit Committee, including the production of its annual report.

8.3.4 The Committee will meet four times per year, with dates included in the Council Calendar. Further meetings can be arranged on an ad hoc basis as the Audit Committee deems appropriate.

8.3.5 The Head of Finance & Resources (S151 Officer), the Head of Internal Audit and the Council's External Auditors will be invited to attend every Audit Committee meeting. As well as reviewing documentation, the Audit Committee exercise the right to invite any other officers, Chairmen of other Committees or Cabinet Members to attend before it, as and when required. This would be to provide assurance in relation to the adequacy of the governance, risk management and control frameworks pertaining to their area of activity / responsibility.

It is the duty of those persons to attend if so required.

Where any member or officer is required to attend the Audit Committee under this provision, maximum notice will be given.

Where in exceptional circumstances, the Member or officer is unable to attend on the required date; an alternative date will be agreed with the Chairman.

8.4 Status of Meetings

Open to the public

8.5 Reports To

Council