

Terms of Reference – Audit and Governance Committee**Composition****Membership**

The Audit and Governance Committee will be composed of 7 Members as follows:

5 elected Members on a political balance basis;
2 Co-opted Members.

There will be no more than one Member of the Cabinet on the Committee.

Chairing the Committee

The Chairman will be one of the Co-opted Members.

In the absence of both Co-opted members the attending members may agree a Chair for the specific meeting from those attending except the member of Cabinet

Statement of Purpose

The Audit and Governance Committee is a key component in the Council's Corporate Governance Arrangements. Its main objectives are to:

- Provide independent assurance to the members of the adequacy of the risk management framework and the internal control environment and reporting arrangements that underpin good governance and financial standards.
- Oversee the annual financial reporting and governance processes.
- Oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

Functions

To carry out the following delegated functions from Council:

- a) to approve the Authority's Statement of Accounts, income and expenditure, and balance sheet or record of receipts and payments (as the case may be).

In relation to the following functions to undertake the assurance and advisory role to:

- b) Review the council's corporate governance arrangements and consider the local code of governance.

Appendix 2

- c) Review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control.
- d) Consider the effectiveness of the authority's corporate governance arrangements, risk management arrangements, the control environment and associated anti-fraud and corruption arrangements and seek assurance that action is being taken on risk-related issues identified by auditors and inspectors.
- e) To consider the council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.
- f) Receive and consider (but not direct) internal audit's strategy, plan and monitor performance, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
- g) Receive and consider the external audit plan.
- h) Review a summary of internal audits, the main issues arising, and seek assurance that action has been taken where necessary.
- i) Consider the effectiveness of Internal Audit.
- j) Receive and consider the reports providing assurances on the management of the Council's key risks.
- k) To monitor progress in addressing risk-related issues reported to the committee.
- l) Consider the reports of external audit and inspection agencies, including the Annual Audit Letter.
- m) Ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted.
- n) Review the external auditor's opinion and reports to members, and monitor management action in response to the issues raised by external audit.
- o) Review the adequacy of and compliance with, the Council's Treasury Management Policy.

And make recommendations or comments to Cabinet or Council as appropriate.

Features of the Committee

- a) The Committee will exercise delegated powers from Council in relation to item a) above and in relation to the remaining functions act as an advisory committee.
- b) The Committee will treat the auditors, the executive and management fairly.
- c) The Committee can call any officer or agency of the Council as required.
- d) The Committee will meet regularly, at least four times per year.
- e) The Executive Director of Corporate Services, Council's head of internal audit and the external auditor will be regular attendees. Other attendees may include the Assistant Director of Law and Governance and the Chief Executive. These officers all have access to the Committee, or the Chair, as required.
- f) The Committee members will have the opportunity to meet privately and informally with the head of internal audit and the external auditor, at a meeting following a normal Committee meeting, and otherwise as necessary, throughout the year.
- g) The Committee will assess its effectiveness, including its Terms of Reference, every three years.
- h) An Annual Report will be presented to Council regarding the work of the Committee throughout the year.

