

Article 7 – Audit Committee

7.01 Terms of Reference**Membership**

14 Members of the Council, who will operate independently from both the Executive and the Overview and Scrutiny function and receive training appropriate to their role.

7.02 Delegation of functions

See Scheme of Delegation (Part 7)

7.03 Functions

~~Audit committees are a key component of an authority's governance framework. Their function is to~~ To provide an independent and high level resource to support good governance and strong public financial management.

~~The purpose of an audit committee is to~~ To provide those charged with governance, independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes. By overseeing internal and external audit it makes an important contribution to ensuring that effective assurance arrangements are in place.

~~The Audit Committee will~~ To have regard to relevant government guidance, the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) and any other relevant body, and members shall receive training appropriate for this role.

- ~~The Council will appoint an Audit Committee independent from both the Executive and the Overview and Scrutiny function and will have the following core functions;~~
- To be satisfied that the Council's Annual Governance Statement properly reflects the risk environment, to identify any actions required to improve it and to demonstrate how governance supports the achievement of the authority's objectives;
- ~~In relation to the council's internal audit functions, the Audit Committee will~~ To oversee its the Council's internal audit function's independence, objectivity, performance and professionalism. It will, support the effectiveness of the internal audit process and promote the effective use of internal audit and. ~~This will involve consideration of~~ the annual audit plan and, the receipt of regular reports detailing progress against the plan and the annual report;
- To review the risk profile of the organisation and consider the effectiveness of the Council's risk management arrangements including. ~~This will involve~~ monitoring the progress of embedding risk management, reviewing the councils risk registers and other assurances provided, ensuring that action is being taken where necessary to mitigate such risks;

- To monitor the effectiveness of the control environment, including arrangements for ensuring value for money and for managing the council's exposure to the risks of fraud and corruption. ~~This will involve maintaining~~ and making changes where needed. ~~to~~
- To maintain and amend where necessary the council's counter fraud polices;
- To consider the reports and recommendations of external audit, including the auditor's report to those charged with governance (ISA 260) on issues arising from the audit of the accounts;
- To ~~review~~ consider the financial statements, external auditors opinion and reports to members and to monitor management action in response to issues raised by External Audit;
- To support effective relationships between internal and external audit, inspection agencies and other relevant bodies and encourage the active promotion of the value of the audit process;
- To undertake the annual review of the council's use of the Regulation of Investigatory Powers Act 2000 (RIPA), ensuring compliance with the Code of Practice; and
- To maintain and make changes to the council's Financial Regulations and Financial Procedure Rules (without reference to full council).
- To receive updates and reports from the Head of Governance (Data Protection Officer) and to approve policies in relation to compliance with the Data Protection Act and Regulations made under the Act.*

* (Subject to approval at the Council meeting on 14 June 2018)