

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

(SEPTEMBER 2012)

The Council will appoint an Audit Committee to discharge the Audit functions conferred on the Council as follows:-

Key Responsibility

1. To provide the Council with:
 - 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 activities and 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.

Primary action: to produce an annual report on the Committee's work, for Council, (June).

External Reporting

2. To consider the reports of external audit and other inspection agencies and to seek assurances that action is being taken on risk related issues identified.
3. To be satisfied that the authority's assurance statements, including the Statement of Corporate Governance and Annual Governance Statement, properly reflect the risk environment and any actions required to improve it.
4. To review and scrutinise the financial statements, external auditors' opinion and reports to members and monitor management action in response to the issues raised by external audit.
5. To oversee the implementation of the Accounts and Audit Regulations 2003/533 (as amended or replaced) including the Statement of Accounts and the Council's Statement of Accounting Policies.

Primary actions: to receive the Council's draft unaudited accounts for the previous year, (June);
to receive the External Auditor's plan for the audit of those accounts, (June);
to receive the External Auditor's Annual Governance Report and audit opinion on those accounts, (September);
to approve the Council's final annual accounts for the previous year, (September);
To receive the External Auditor's Annual Audit Letter, (November).

Internal Audit

6. To approve the Council's internal audit strategy and work plans, and to monitor performance against the agreed strategy.
7. To review internal audit reports and the main issues arising, and to seek assurance that appropriate actions have been taken where necessary.
8. To review the effectiveness of Internal Audit.

Primary actions: to receive annually, the draft audit strategy/plan for the coming year, (March);
to receive three quarterly updates on delivery against the current year plan, (September, November, March);
to receive annually the statutory report of the Head of Internal Audit, (June).

Treasury Management

9. To scrutinise the Council's Treasury Management strategy and functions.

Primary actions: to receive an annual Treasury Management Strategy report, for the following year, (November);
to receive a Treasury Management Mid-Year Monitoring report, identifying performance against the Strategy, (November);
to receive a Treasury Management Annual Report, setting out performance for the previous year, (September).

Risk Management

10. To scrutinise The Council's risk management arrangements.

Primary actions: to receive an annual Risk Management Report, (March)

Counter Fraud

11. To scrutinise the Council's corporate counter fraud arrangements.

Primary action: to receive an annual Counter Fraud Report, (March)

Other

12. To maintain an overview of the Council's Contract Standing Orders and Financial Regulations.
13. To consider other matters as referred to the Committee by the Chief Executive or Section 151 Officer.

Primary action: to receive ad hoc reports, as appropriate.