

### **Audit and Risk Committee – Proposed Terms of Reference**

The purpose of the Committee is to undertake the County Council's responsibilities under the Accounts and Audit Regulations:

- a) to consider and approve the annual statement of accounts
- b) to ensure that the financial management of the Council is adequate and effective
- c) to ensure that the Council has a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk
- d) to review annually the Council's system of internal control and to agree an Annual Governance Statement for inclusion in the statement of accounts
- e) to ensure that the Council has an adequate and effective internal audit function

#### **Audit Activity**

- To consider the Head of Internal Audit's annual report and opinion, and a summary of Internal Audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.
- To approve the risk-based internal audit plan and resource requirements
- To consider summaries of specific Internal Audit reports as requested.
- To consider reports dealing with the management and performance of the providers of Internal Audit Services.
- To consider a report from Internal Audit on agreed recommendations not implemented within a reasonable timescale.
- To approve the Internal Audit Charter
- To consider the External Auditor's Annual Letter, relevant reports, and the report to those charged with governance
- To consider specific reports as agreed with the External Auditor
- To comment on the scope and depth of external audit work and to ensure it gives value for money.
- To liaise with the Public Sector Audit Appointments Ltd (PSAA) over the appointment of the Council's External auditor.
- To commission work from Internal and External Audit.

#### **Regulatory Framework**

- To maintain an overview of the Council's Constitution with the exception of those matters under the remit of the Executive or a regulatory committee.
- To review any issue referred to it by the Chief Executive or a Director, or any Council body.
- To monitor the effective development and operation of risk management and corporate governance in the Council.
- To monitor council policies on 'Whistle Blowing' and the 'Anti-fraud and corruption strategy' and the Council's complaints process.
- To oversee the production of the authority's Annual Governance Statement and to recommend its adoption.

- To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.
- To consider The Council's compliance with its own and other published standards and controls.

### **Accounts**

- To approve the annual statement of accounts. Specifically to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council
- To consider the External Auditor's report to those charged with governance on issues arising from the audit of the accounts.

### **Accountability Arrangements**

- To report to those charged with governance on the committee's findings conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks; financial reporting arrangements, and internal and external audit functions.
- To report to Full Council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.

### **Delegations**

- The Assistant Director (Finance), in consultation with the Chair of the Committee, is authorised to make changes to the Internal Audit plan. Such changes must be reported to the Committee at the earliest opportunity.