

Audit Committee report



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Audit Committee Terms of Reference

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Exempt / confidential / not for publication	No
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1. Purpose

- 1.1 The report provides the Committee an opportunity to comment on the proposed Terms of Reference for the Committee prior to its submission to be formally adopted within the Council's Constitution.

2. Recommendations

- 2.1 That the Committee notes the report and provides any feedback on the proposed Terms of Reference.
- 2.2 That the revised Terms of Reference be recommended to Council to adopt.

3. Issues and Choices

- 3.1 Annex A provides the Committee with the proposed Terms of Reference.
- 3.2 It was recently identified that whilst the Committee had regularly reviewed the Terms of Reference it had not been progressed to be formally adopted within the Constitution.
- 3.3 Annex A sets out the role of a local authority Audit Committee consistent with the relevant best practice as derived from the Chartered Institute of Public Finance and Accountants (CIPFA)¹.
- 3.4 The key areas to highlight include:
- 3.4.1 Section 1 summarises the purpose of the Committee
- 3.4.2 Section 2 sets out the governance issues of Committee business eg to be apolitical, quorum numbers etc.

¹ 2018 CIPFA Practical Guidance to Local Authorities for Audit Committees

This section is slightly different from the suggested terms of reference appended within CIPFAs 2018 document, but entirely consistent with the guidance within the body of that document.

3.4.3 Section 3 sets out the core functions including:

- To review the Council's governance risk management and control processes.
- To review the arrangements the Council maintains to deliver value for money reflecting the Council's priorities.
- To ensure the Council maintains up to date governance policies.
- To receive reports from Internal Audit and support its work and findings whilst also providing oversight that the service applies best practice etc.
- Specifically, the Committee must:
 - Receive and review the Council's audited accounts and External Auditors Opinion
 - Review the Council's Annual Governance Statement
 - Receive and consider the Council's Internal Audit Annual Opinion
 - Provide an Annual Report on the work of the Committee (to Full Council / Cabinet)

3.4.4 The Terms of Reference will then be submitted via relevant process to be formally adopted within the Council's Constitution.

4. Implications

4.1 Policy

None

4.2 Resources and Risk

No additional resource issues arise from this update.

4.3 Legal

None

List of Annexes

A – Proposed Audit Committee Terms of Reference