

## **AUDIT COMMITTEE**

(7 Members plus one Independent Member)

### **1. PURPOSE**

The Audit Committee is a key component of this Council's governance framework. Its function is to provide an independent and high-level resource to support good governance and strong public financial management.

The purpose of the Audit Committee is to provide independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance processes. By overseeing both internal and external audit the Committee makes an important contribution to ensuring that effective assurance arrangements are in place.

The Council has chosen to appoint one Independent Member to the Audit Committee to help provide a critical friend/challenge approach to the Committee. The Independent Member does not have voting rights and will not be the Chair nor Vice Chair of the Committee. The recruitment and appointment approach for the Independent Member mirrors that of the Council's Independent Person(s).

There is a split in the delegation of audit functions between the Audit Committee and the following posts:

- Head of Corporate Finance (including in their capacity as Section 151 Officer).
- Internal Auditors.
- Operational Benefits and Corporate Fraud Manager.

More information on the functions delegated to these officers are detailed in the Council Officer Responsibilities and Decision Making section of this Constitution.

### **2. RESPONSIBILITIES OF THE AUDIT COMMITTEE**

The responsibilities of the Audit Committee follow the guidance provided by The Chartered Institute of Public Finance and Accountancy (2018).

### **3. DECISIONS WHICH WILL BE TAKEN BY THE AUDIT COMMITTEE**

All of the responsibilities of the Audit Committee (detailed in Paragraph 2) are delegated to officers except the following which are reserved to the Committee:

- a) Approval and review of the adequacy of the Internal Audit Budget and Resource Plan.
- b) Approval of the Internal Audit Charter.
- c) Approval of the Internal Audit Plans and monitoring performance against the Plans.
- d) Receipt of the Internal Audit and Risk Management progress reports, seeking assurance that appropriate action has been taken where necessary.

- e) To consider a draft version of the Risk Management Strategy and provide any comments for incorporation into the final version. The final document will be approved by the Cabinet Member for Resources.
  - f) Receipt of the results of the Quality Assurance and Improvement Programme, including external assessment.
  - g) Consideration of the appointment of the External Auditor.
  - h) Receipt and consideration of the work of the external auditors (and other external inspection agencies) including the Annual Audit and Inspection Letter to the Council.
  - i) Receipt of the Annual Report of the Internal Auditors, including the review of the Ethical Framework.
  - j) Receipt of the report relating to fraud and investigations, to monitor the performance of the Council's counter-fraud function.
  - k) Approval of the Council's Financial Statements including the endorsement of the Annual Governance Statement\*.
  - l) Consideration of matters relating to the Regulation of Investigatory Powers Act 2000 (RIPA).
- \* The Annual Governance Statement will be considered by the Governance Committee prior to its submission to the Audit Committee.

#### **4. DOCUMENTS RELATED TO THE AUDIT COMMITTEE**

- "Audit Committees: Practical Guidance for Local Authorities and Police (2018 edition)" by The Chartered Institute of Public Finance and Accountancy (CIPFA).
- Council Officer Responsibilities and Decision Making.