

Audit and Governance Committee

5.1. Audit Activity

- a) To approve the Council's Internal Audit Charter setting out the Internal Audit Strategy and Terms of Reference.
- b) To approve, but not direct, Internal Audit's annual plan of work and monitor unscheduled work that could potentially divert audit resources away from a plan, and monitor performance against those plans, ensuring that there is no inappropriate scope or resource limitations.
- c) To consider the Annual Report and opinion of the Head of Audit and a summary of internal audit activity and the level of assurance it can give over the Council's corporate governance arrangements
- d) To consider summary internal audit reports and the main issues arising and seek assurance that action has been taken where necessary.
- ~~e) To consider reports dealing with the management and performance of the Internal Audit function.~~
- f) To consider reports from Internal Audit on agreed recommendations not implemented within reasonable timescales.
- g) To consider the External Auditor's Annual Inspection Letter, relevant reports and the reports of those charged with governance.
- h) To consider specific reports as agreed with the External Auditor to ensure agreed action is taken within reasonable timescales.
- i) To comment on the scope and depth of the external audit work and to ensure it gives value for money.
- j) To liaise with the Public Sector Audit Appointments Ltd over the appointment of the Council's external auditor.
- k) To consider the reports of inspection agencies relevant to the Council.
- l) To suggest work for Internal and External Audit.
- ~~m) To undertake an annual review of the effectiveness of the system of Internal Audit.~~
- m) To oversee Internal Audit's independence, objectivity, performance and conformance to professional standards.

- n) To promote the effective use of Internal Audit within the assurance framework.
- o) To consider the opinion, reports and recommendations of external audit and inspection agencies and their implications for governance, risk management or control, and monitor management action in response to the issues raised by external audit.
- p) To contribute to the operation of efficient and effective external audit arrangements, supporting the independence of auditors and promoting audit quality.
- q) To support effective relationships between all providers of assurance, audits and inspections, and the organisation, encouraging openness to challenge, review and accountability.
- r) To oversee the assessment of the governance and performance of significant partnerships.

5.2.Regulatory Framework

- a) To review any issue referred to it by the Chief Executive or Corporate Director or any Committee of the Council.
- b) To monitor the effective development and operation of risk management and corporate governance throughout the Council.
- c) To monitor **and approve** council policies on “raising concerns at work”, **and** anti-fraud and anti-corruption policies including the Council’s complaints **process and Whistleblowing policy process.**
- d) To oversee the production of the Council’s **Statement of Internal Control/Annual** Governance Statement and recommend its adoption.
- e) To consider the arrangements for corporate governance and to agree necessary actions to ensure compliance with best practice.
- f) To consider the Council’s compliance with its own and published standards and controls.

5.3.Accounts

- a) To review **and approve** the annual statement of accounts.
- b) Specifically to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the **external** audit that need to be brought to the attention of the Council.

c) To consider the External Auditor's report to those charged with the governance, issues arising from the audit of the accounts.

d) To support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them.

5.4.Risk Management

a) To consider the effectiveness of the authority's risk management arrangements - understanding the risk profile of the organisation and seeking assurances that active arrangements are in place on risk-related issues, for both the Council and its collaborative arrangements
~~.To consider the effectiveness of the Council's risk management arrangements.~~

b) To review regular reports from the ~~Corporate Risk Management on the Council's Strategic Risk Register~~ to gain assurance that the Council is monitoring and managing its risks effectively.

c) To be satisfied that the authority's accountability statements, including the annual governance statement, properly reflect the risk environment, and any actions required to improve it, and demonstrate how governance supports the achievement of the authority's objectives.

~~To be satisfied that the Council's assurance statements, including the Annual Governance Statement properly reflect the risk environment and any actions required to improve it.~~

~~d) To review and approve the Council's Strategic Risk Register annually.~~

d) To monitor the effectiveness of the system of internal control, including arrangements for financial management, ensuring value for money, supporting standards and ethics and managing the authority's exposure to the risks of fraud and corruption.

e) To review and approve the Council's Risk Management Strategy and Policy.