

GOVERNANCE AND AUDIT COMMITTEE

Terms of Reference

1. The Governance and Audit Committee should:-
 - (a) Review, scrutinise and issue reports and recommendations in relation to the Authority's financial affairs;
 - (b) Provide independent assurance of the adequacy of the risk management framework and the associated control environment;
 - (c) Provide independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment;
 - (d) Oversee the financial reporting process.
 - (e) Oversee the effectiveness of the Council's complaints process (service complaints).
2. To achieve these objectives the Governance and Audit Committee should:-
 - (a) Approve (but not direct) internal Audit's strategy, plan and performance;
 - (b) Review the planned activity and results of both Internal Audit and External Audit and receive regular reports accordingly;
 - (c) Review summary Internal Audit reports and the main issues arising, consider the adequacy of management responses, and seek assurances that action has been taken where necessary;
 - (d) Receive the annual report of the Audit and Risk Manager and monitor action in response to the issues raised in the report;

- (e) Consider the effectiveness of the Council's risk management arrangements and the control environment;
- (f) Approve the Council's formal policies for combating fraud and anti corruption and arrangements for special investigations, together with associated policies such as Whistle Blowing and Benefit Fraud prosecutions;
- (g) Consider arrangements for raising the profile of probity within the Council and receive ad hoc reports on any issues relating to the above;
- (h) Receive reports from the Section 151 Officer or his/her representatives on the strategic processes for financial risk, control and governance;
- (i) Seek assurances that action is being taken on risk related issues identified by auditors and regulators;
- (j) Obtain satisfaction that the Council's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it;
- (k) Ensure there are effective relationships between External and Internal audit, regulation/inspection agencies and other relevant bodies and that the value of the audit process is actively promoted;
- (l) Review the annual financial statements with the Section 151 Officer, including the level and nature of any significant errors identified, together with the Section 151 Officer's letter of representation to the External Auditor;
- (m) Review the External Auditor's opinion and reports to Members on these annual financial statements and consider the adequacy of management responses and action in relation to the issues raised by External Audit;
- (n) The Chief Officer - Resources, the Head of Financial Service, the Audit and Risk Manager, the Monitoring Officer and the representative of the External Auditor will have free and confidential access to the Chair of the Committee.

- 3.** As and when appropriate, the Committee will also be provided each financial year with:-
- (a) Details of any significant amendments to the terms of reference of Internal Audit;
 - (b) The Internal Audit Plan;
 - (c) The financial statements of the Council, including the Annual Governance Statement, and audit opinion to be provided by the External Auditor;
 - (d) External audit outputs including: the Regulatory Plan; ISA260 Report to 'Those Charged with Governance'; Audit Opinion; Financial Accounts Memorandum and Annual Audit Letter; and
 - (e) Consideration of the Policy regarding the Regulation of Investigatory Powers Act.