

SECTION 13

AUDIT COMMITTEE

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13.1 Role and functions

13.1.1 The Audit Committee ('the Committee') is independent of the Cabinet and of the Scrutiny Board and its work impacts upon all of the Council's functions. Its main role is to:

- ensure the adequacy of the Council's risk management framework and the associated control environment;
- scrutinise the Council's financial and non-financial performance, particularly in relation to the Council's exposure to risk and the strength of the control environment;
- oversee the Council's financial reporting process.

13.1.2 The Audit Committee shall carry out the following functions:

Audit Activity Functions

1. Approve (but not direct) the Internal Audit strategy to ensure it meets and supports the Council's strategic direction
2. Approve the annual Internal Audit Plan and monitor progress against that Plan
3. Review summary Internal Audit reports including:
 - the main issues arising;
 - where agreed audit recommendations are not implemented within a reasonable timescale
4. Consider the annual report of the Head of Internal Audit
5. Consider the External Auditor's Annual Letter, relevant reports of External Audit and inspection agencies together with the management response and action/improvement plans to address the issues arising – and monitor the implementation of those plans
6. Comment to Cabinet and Scrutiny on the scope and depth of both Internal and External Audit work and ensure that they give value for money

Accounts Functions

7. Review and approve the Annual Statement of Accounts. In doing so, to specifically consider:
 - compliance with appropriate accounting policies;
 - concerns relating to the financial statements or from the audit that should be brought to the Council's attention

General and Regulatory Functions

8. Satisfy itself that the Council's assurance statements, including the Annual Governance Statement and the Statement of Internal Controls, properly reflect the risk environment and approve measures to ensure their effectiveness and compliance with best practice
9. Consider the effectiveness of the Council's risk management arrangements and the control environment. In particular, ensure that action is taken as appropriate on risk-related issues identified by auditors and inspectors
10. Receive reports on financial probity and compliance with the Council's policies and procedures – particularly anti-fraud, anti-corruption, [code of conduct] and the Council's complaints process – and recommend any necessary changes to these
11. Review all matters referred to it by the Chief Executive or another Council body
12. Ensure that there are effective relationships between internal and external audit, inspection agencies and relevant bodies, and that the value of the audit process is actively promoted
13. Report to full Council as and when necessary and annually as part of the Annual Governance Statement and from time to time as it considers necessary in relation to any matter within its remit as set out above.

13.2 Specific powers

To enable it to carry out its functions, the Committee may:

- set its own work programme, taking into account the wishes of all members of the Committee
- require any member of the Cabinet and any senior officer (Group Manager or above) to attend meetings, answer questions and produce reports or documents, giving reasonable notice
- invite other people and organisations (including representatives of the external auditors and inspection agencies) to address the Committee, provide information and answer questions
- require the provision of any information to which members of the Council are entitled under the provisions of Section 3.5.1

(Rights and Obligations of Members), or to which members of the Scrutiny Board are additionally entitled under the provisions of Section 16 (Access to Information Rules)

- commission work from Internal and External Audit as appropriate

13.3 Membership

13.3.1 The Committee will comprise of up to seven members appointed by full Council and will be politically balanced. In addition, co-opted members may be appointed to the Committee by the Chief Executive on the recommendation of the Committee, subject to ratification by full Council at its next meeting.

13.3.2 Members of the Cabinet may not also be members of the Committee.

13.3.3 At least one but no more than two members of the Scrutiny Board must also be a member(s) of the Audit Committee.

13.3.4 Members of the Committee will take part in appropriate training on relevant matters from time to time, as recommended by the Committee or the S151 Officer.

13.4 Meetings

13.4.1 The Committee will normally meet on four occasions each year, but meetings may be cancelled if there is no significant business, or for other good reason, at the discretion of the Chair.

13.4.2 Extraordinary meetings may be called from time to time if the Chair considers that the Committee should consider any issue before its next scheduled meeting. Meetings of the Committee may also be called by any four members of the Committee (including co-opted members).

13.4.3 The Chair and Vice-Chair of the Committee will be elected by the members of the Committee only at the Annual Meeting of full Council.

13.4.4 Meetings of the Audit Committee will be conducted in accordance with the rules for conducting meetings contained in Section 15. Co-opted members will not be counted when assessing whether a meeting of the Committee is quorate, and by law, may not vote at meetings, but will otherwise be entitled to participate fully in the work of the Committee.

13.4.5 Any member of the Committee, the S151 Officer, ~~the lead Corporate Manager~~ any member of the Corporate Management Team, or any eight members of the Council may require an item relevant to the Committee's role and functions to be included on the agenda for the

next available meeting of the Committee. On receipt of written notice of such a request, the proper officer will ensure that the item is included in the next available agenda.