

## Audit Committee

The Audit Committee is the means of bringing independent, effective assurance into the Council's corporate governance arrangements. This covers:-

- Risk management framework
- Control environment and arrangements
- Financial performance
- Non-financial performance (processes and controls)
- Financial reporting.

~~An Audit Committee Charter was adopted in September 2013.~~<sup>[a1]</sup>

## Terms of Reference

The Terms of Reference are as follows:

### **1. Corporate Governance**

1.1 To ~~consider~~ review the Council's arrangements for corporate governance and recommend necessary actions to ensure compliance with best practice as set out in the current CIPFA/SOLACE Framework "Delivering Good Governance in Local Government" and any revision thereof.

~~1.2 To review the Council's compliance with its own and other published regulations, standards and controls, covering both financial and general issues and, if appropriate, make recommendations to Council.~~

~~1.32 To maintain an overview of the Council's Constitution in respect of contract procedure rules, and financial regulations and, if thought fit, recommend their adoption by the Council. and codes of conduct and behaviour.~~

~~1.3 To consider the Council's compliance with its own and other published regulations, standards and controls, covering both financial and general issues~~

1.4 To ~~monitor~~ review Council policies in "Whistleblowing" and the anti-fraud and anti-corruption strategy and the Council's complaints handling process and recommend any changes to Council.

1.5 To monitor the effective development and operation of internal control in the Council with particular reference to all aspects of risk management, including Waverley's Corporate Risk Registers. ~~all aspects of risk management.~~

~~1.6 To approve the Council's Annual Governance Statement.~~

~~1.7 To consider any reports published by bodies, other than the external auditor, charged with inspecting the Council's performance or arrangements for corporate governance.~~<sup>[a2]</sup>

1.68 To review any issue referred to it by the Head of Paid Service or a director or any other Council body Committee.

~~1.9 To request a report from any Head of Service relating to an outstanding internal audit recommendation issue.~~<sup>[a3]</sup>

1.76 To approve the Council's Annual Governance Statement.

### **2. External scrutiny Audit**

- 2.1 To consider whether appropriate accounting policies have been followed in the preparation of the annual statement of accounts and to approve any changes to these policies.
- 2.2 To ~~consider receive~~ all ~~communications reports~~ from the external auditor to the Audit Committee, ~~including:~~
  - ~~2.2.1 the audit letter;~~
  - ~~2.2.2 the report on issues arising from the audit of the accounts; and~~
  - ~~2.2.3 any other reports requested by the Audit Committee from the external auditor.~~<sup>[a4]</sup>
- 2.3 To consider ~~whether there are~~any concerns arising from the audit or the accounts and to agree appropriate action to be taken that need to be brought~~including bringing the matter~~ to the attention of the Council, ~~that arise from:~~
  - ~~2.3.1 the audit; or~~
  - ~~2.3.2 the accounts.~~
- 2.4 To consider and, ~~if thought fit~~, approve the annual statement of accounts.
- 2.5 To comment on the scope and depth of external audit work and to ensure that it gives value for money, especially with regard to reports dealing with risk management and performance matters.
- ~~2.6 To oversee all aspects of risk management, including Waverley's Corporate Risk Registers.~~<sup>[a5]</sup>
- ~~2.6 To make recommendations to Council regarding the appointment of the External Auditor.~~

### 3. Internal audit

- ~~3.1 To consider the Annual Review of the system of Internal Audit.~~
- ~~3.1 To approve the Internal Audit Charter.~~
- ~~3.2 To approve the Annual Internal Audit (Risk-Based) Plan.~~
- ~~3.32~~ To consider the Internal Audit Client Manager's Annual Report and Internal Audit Opinion.
- ~~3.3 To approve the annual Internal Audit Service Plan.~~
- 3.4 To consider the current Internal Audit Plan and summaries of internal audit activity by ~~department~~Service Area and consider the level of assurance this can give concerning the effectiveness of the Council's corporate governance arrangements.
- 3.5 To consider internal audit reports detailing recommendations not implemented within the specified timescale and to agree appropriate action, including~~1.9~~ To requesting a report from any Head of Service relating to an outstanding internal audit recommendation issue.
- ~~3.6 To consider proposed internal audit activity and the range of service areas to be covered and the level of assurance this can give concerning the effectiveness of the Council's corporate governance arrangements.~~<sup>[a6]</sup>
- ~~3.67~~ To commission work ~~or reports~~ from the Internal Audit Service.
- ~~3.8 To consider any specific internal audit reports requested by the Audit Committee.~~
- ~~3.79~~ To monitor the progress of any specific internal audit projects not included in the Audit Plan.
- ~~3.408~~ To consider reports dealing with the appointment, management and performance of the providers of internal audit services.

- 3.419 To comment on the scope and depth of internal audit work and to ensure that it gives value for money, especially with regard to reports dealing with risk management and performance matters.

### **Composition of Audit Committee**

(a) **Membership and Meetings**

The Audit Committee will

- be composed of eight councillors, with no members from the Executive;
- meet four times per year, as set out in the Calendar of Meetings, and on an ad hoc basis when necessary.

(b) **Quorum**

The quorum for meetings will be three Councillors.

Revised: 03.11.17