

## 8.02 **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.

## 8.03 **Terms of Reference**

The Terms of Reference are as follows:

### **1. Corporate Governance**

- 1.1 To 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 the Council.
- 1.3 To maintain an overview of the contract procedure rules and financial regulations and recommend their adoption to the Council.
- 1.4 To 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 the 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.
- 1.6 To review any issue referred to it by the Head of Paid Service or a Director or any other Council Committee.
- 1.7 To approve the Council's Annual Governance Statement.

### **2. External 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 receive all reports from the external auditor to the Audit Committee.
- 2.3 To consider any concerns arising from the audit of the accounts and to agree appropriate action to be taken including bringing the matter to the attention of the Council.
- 2.4 To consider and 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 make recommendations to Council regarding the appointment of the External Auditor.

**3. Internal audit**

3.1 To approve the Internal Audit Charter.

3.2 To approve the Annual Internal Audit (Risk-Based) Plan.

3.3 To consider the Internal Audit Client Manager's Annual Report and Internal Audit Opinion.

3.4 To consider the current Internal Audit Plan and summaries of internal audit activity by 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 requesting a report from any Head of Service relating to an outstanding internal audit recommendation issue.

3.6 To commission work from the Internal Audit Service.

3.7 To monitor the progress of any specific internal audit projects not included in the Audit Plan.

3.8 To consider reports dealing with the appointment, management and performance of the providers of internal audit services.

3.9 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.

8.04 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.