

APPENDIX 2

TERMS OF REFERENCE FOR AUDIT COMMITTEE

GENERAL

- a. This Committee is a committee of the Council appointed by the Council under the Local Government Act 1972
- b. Certain functions are delegated by this Committee to Officers. Full details may be found in Part 3 of the Council's Constitution
- c. Where a function or matter within the Committee's competence has been delegated to an officer, the Committee may exercise that function/matter concurrently with the officer to whom it has been delegated.
- d. The exercise of any function or matter within the Committee's competence is always subject to any relevant requirement of the Council's Constitution including any Special Procedure and Protocol drawn up and approved by the Solicitor to the Council in pursuance of Council Procedure Rule 26.2.

TERMS OF REFERENCE

1. To provide independent assurance to the Standards and Governance Committee on the adequacy of the risk management framework and the internal control and reporting environment, including (but not limited to) the reliability of the financial reporting process and the annual governance statement.
2. To be satisfied and provide assurance to the Standards and Governance Committee that appropriate action is being taken on risk and internal control related issues identified by the internal and external auditors and other review and inspection bodies.
3. The Committee shall specifically have responsibility for oversight of and provision of assurance to the Standards and Governance Committee on the following functions:
 - ensuring that Council assets are safeguarded;
 - maintaining proper accounting records;
 - ensuring the independence, objectivity and effectiveness of internal and external audit;
 - the arrangements made for cooperation between internal and external audit and other review bodies;
 - considering the reports of internal and external audit and other review and inspection bodies;
 - the scope and effectiveness of the internal control systems established by management to identify, assess, manage and monitor financial and non-financial risks (including measures to protect against, detect and respond to fraud).

NOTE:

Standards and Governance Committee leads on Corporate Governance and associated Constitutional issues. The Audit Committee forms part of the overall Corporate Governance process. Its focus will be on independent assurance to the Standards and Governance Committee, including review of the risk and internal control environment (save for any overlap where Standards and Governance shall take precedence) and the provision of assurance to the Standards and Governance Committee on certain corporate governance matters. The role of the Audit Committee shall not cover constitutional or associated legal matters.