

### Position Statement on Audit Committee

#### Statement of purpose

The purpose of the Audit Committee is to:

- Provide independent assurance of the adequacy of our risk management framework and the associated control environment.
- Provide independent review of our financial performance to the extent that it affects our exposure to risk and weakens the control environment.
- Oversee the financial reporting process.

#### Core functions

The Committee will:

- Consider the effectiveness of our risk management arrangements, the control environment and associated anti-fraud and corruption arrangements.
- Seek assurances that action is being taken on risk-related issues identified by auditors and inspectors.
- Ensure that our assurance statements, including the Statement on Internal Control, properly reflect the risk environment and any actions required to improve it.
- Approve (but not direct) internal audit's strategy, as well as plan and monitor performance.
- Review summary internal audit reports and the main issues that arise from them, and seek assurance that action has been taken where necessary.
- Receive the annual internal audit report.
- Consider reports from our external audit and inspection agencies.
- Ensure that there are effective relationships between external and internal audit, inspection agencies, and other relevant bodies, and that the value of the audit process is actively promoted.
- Review the financial statements, external auditor's opinion and reports to members, and monitor management action in response to issues raised by external audit.

In so doing, the Committee will have the ability to challenge the Executive (Leader/Chief Executive) when required.

#### Features

The committee will endeavour to have:

- Unbiased attitudes - treating auditors, the Executive and Management equally
- A membership that is balanced, objective, independent of mind, and knowledgeable.
- A firm Chair - displaying a depth of skills and interest

## **Structure and administration**

The committee will:

- Be independent of the executive and scrutiny functions.
- Be clear on how its role differs from scrutiny. Scrutiny reviews policy, and challenges whether the executive has made the right decision. Audit Committee provides independent assurance on adequacy of controls to reduce key risks.
- Have clear reporting lines to Full Council and Cabinet, and rights of access to other committees and senior management
- Meet according to a scheduled calendar, at least four times a year, with the ability to consider certain items in private in accordance with the Council's constitution.
- Report annually to full Council on its activity.
- Meet privately and separately with the external auditor and internal audit.
- Include, as regular attendees, the chief finance officer or deputy, internal audit, and appointed external auditor and relationship manager. A member of the Council's Standards Committee shall be co-opted as a non-voting member. Other attendees who may be called to attend the committee include the monitoring officer (for standards issues) and chief executive. These officers should also be able to have access to the committee, or the chair, as required. The Committee should have the right to call any other officers or agencies of the Council as required.
- Be properly trained to fulfil their role, through a programme of member training addressing needs identified from a member survey.
- Receive effective administration support from Democratic Services and the Head of Finance. It shall be normal practice for Audit Committee papers to be circulated to members two weekends before the scheduled date of the meeting, with exceptional papers following one week before the meeting when necessary.

Members may be given specific responsibility for reporting to the Committee on items from or added to the work plan.