

## **Appendix 3**

### **AUDIT ADVISORY COMMITTEE**

#### **Membership**

- The committee comprises 5 non-executive councillors and 2 non voting co-opted members, one of whom will be the Chair of the committee.

#### **Terms of Reference**

To consider the following matters and to make recommendations concerning them to the relevant Council bodies or to officers

#### *Audit Activity*

1. The Head of Internal Audit's annual report and opinion, and a summary of internal audit activity (actual and proposed), and the strategic and annual audit plans, and consider the level of assurance these can give over the council's corporate governance arrangements.
2. Summaries of specific internal audit reports as appropriate.
3. The annual review of the effectiveness of internal audit.
4. Reports from internal audit on agreed audit recommendations not implemented within a reasonable timescale.
5. Specific reports as agreed with the external auditor.
6. The scope and depth of external audit work and to ensure it gives value for money.

#### *Regulatory Framework*

7. The Council's constitution in respect of Contract Standing Orders and financial regulations.
8. Any issue referred to it by the chief executive or a director, or any council body.
9. Effective development and operation of risk management and corporate governance in the Council.
10. Council policies to facilitate confidential reporting by employees of suspected fraud, corruption or any other wrongdoing and the Council's anti-fraud and anti-corruption policies.
11. The production of the Council's Statement on Corporate Governance and Internal Control.

12. The Council's arrangements for corporate governance and actions to ensure compliance with best practice.
13. The Council's compliance with its own and other published standards and controls.
14. The handling of any reports from the Local Government Ombudsman.

#### *Accounts*

15. The external auditor's report to those charged with governance on issues arising from the audit of the accounts.
16. The statement of accounts and any issues from the financial statements or from the audit that need to be brought to the attention of the Council.

### **AUDIT COMMITTEE**

#### **Membership**

- The committee comprises The 5 non-executive councillor members of the Audit Advisory Committee.

#### **Terms of Reference**

- 1 To review and approve the annual statement of accounts and consider whether there are any issues from the financial statements or from the audit that need to be brought to the attention of the Council.
- 2 To adopt the Council's Annual Governance Statement.