



Committee and Date

Audit Committee

10 November 2011

10 am

Item

**9**

Public

## **ANNUAL REVIEW OF AUDIT COMMITTEE TERMS OF REFERENCE**

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### **1. Summary**

Effective audit committees bring many benefits to an organisation and to ensure that the Council continues to provide an effective Audit Committee, the Audit Committee's Terms of Reference are considered and approved as appropriate by Members on an annual basis, only minor changes to reflect revised officer post details are proposed in this report.

### **2. Recommendations**

Members are asked to consider the current Audit Committee Terms of Reference with appropriate comment.

## **REPORT**

### **3. Risk Assessment and Opportunities Appraisal**

- 3.1 Audit Committee terms of reference are reviewed annually to ensure that they are fit for purpose and up to date; thereby clarifying the role of the Audit Committee and ensuring that the Council has robust internal control arrangements in place.
- 3.2 The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998. There are no direct environmental, equalities, consultation or climate change consequences of this proposal.

### **4. Financial Implications**

There are no financial implications.

## 5. Background

5.1 The Terms of Reference for the Audit Committee were originally agreed by Council in 2005. Part of the responsibility of this Committee is to review annually the Terms of Reference to ensure they are current and up to date and make recommendations for changes to Full Council for consideration.

5.2 Effective audit committees bring many benefits to the Council. They can:

- Increase public confidence in the objectivity and fairness of financial and other reporting;
- Reduce the risk of illegal or improper acts;
- Reinforce the importance and independence of internal and external audit and any other review processes that report to the Committee;
- Provide a sharper focus on financial reporting both during the year and at year end, leading to increased confidence in the objectivity and fairness of financial reporting;
- Assist the co-ordination of sources of assurance and, in so doing, make management more accountable;
- Provide additional assurance through a process of independent and objective review;
- Raise awareness of the need for internal control and the implementation of audit recommendations.

It is therefore important that the Terms of Reference are reviewed to ensure that best practice guidance is incorporated.

3. There are no significant changes proposed to the Terms of Reference, changes reflect new officer post names only and are highlighted in bold and underlined in Appendix A.

4. With discussions underway in relation to the future of public audit, consideration is being given to the role of independent members on audit committees, once further information on this topic is released the terms of reference may need to be updated to reflect this and will be brought back to members for their consideration.

**List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

Audit Committee Practical Guidance for Local Authorities CIPFA 2006  
TIS Online CIPFA November 2008 Audit Committee

**Cabinet Member (Portfolio Holder)**

Keith Barrow (Leader of the Council) and Brian Williams (Chairman of Audit Committee)

**Local Member** N/A

**Appendices** Audit Committee Terms of Reference