

BDC AUDIT COMMITTEE TERMS OF REFERENCE

(4) AUDIT COMMITTEE

1. Statement of Purpose

The purpose of the Audit Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the Authority's financial and non financial performance to the extent that it affects the Authority's exposure to risk and weakens the control environment. The Audit Committee will also oversee the Authority's corporate governance arrangements.

2. Reporting Framework

The Audit Committee will report directly to the Council, and provide information to the Executive for action, whilst maintaining its independence.

3. Membership and Structure of Meetings

The Audit Committee will have a membership of six plus one co-opted member and reflect the political composition of the Council. A quorum will constitute at least three members of the Committee.

The Chair and Vice Chair of the Committee will be elected from its membership.

The Audit Committee will meet at least four times per year.

4. Principal Responsibilities

- (1) To ensure that the Council has a sound system of internal control which facilitates the effective exercise of the Council's functions to include the following:-
 - i) Arrangements for the assessment and management of risk within the Authority and ensuring they are embedded within the organisation.
 - ii) Approving and modifying the terms of reference and strategy for internal audit.
 - iii) Receiving and approving the annual internal audit plan and reviewing the external audit plan.
 - iv) Receiving quarterly reports on the progress against the annual audit plan.
 - v) Reviewing and adopting the Annual Governance Statement.
 - vi) Reviewing the Council's anti-fraud policy.

- (2) To consider the Council's Code of Corporate Governance and approve the annual statement in that respect.
- (3) To consider the External Auditors findings from their review of the Statement of Accounts.
- (4) To consider and approve, after review by External Audit the Statement of Accounts and report such to Council. The date by which this must be achieved is 30th September each year.
- (5) To review and adopt the detailed and summary Annual Governance Statement in light of the Internal Audit Annual review, report on the effectiveness of Internal Audit, Governance letters and the financial details shown in the statement of Accounts. In addition when these items are scheduled for consideration the Leader, Deputy Leader and the appropriate Cabinet member would be invited to attend the Audit Committee and participate in the debate and discussion, but no voting rights would be associated with the invitation.
- (6) To review the Council's internal audit function and monitor performance.
- (7) To monitor and ensure implementation of internal and external audit recommendations.
- (8) To be responsible for ensuring effective scrutiny of the treasury management strategy and policies.