

Recommended Membership and Terms of Reference for the Audit Committee

The Audit Committee should be comprised of between ten and fourteen members, to exclude members of the executive. It should meet four times per year, with terms of reference as follows:

Internal Audit Activity

- To approve the terms of reference and strategy for Internal Audit, and the annual internal audit plan
- To monitor and review the effectiveness of Internal Audit to ensure compliance with statutory requirements
- To consider the head of Internal Audit's annual report and opinion, and a summary on internal audit activity and the level of assurance it provides on the council's corporate governance arrangements
- To consider specific internal audit reports as requested, and monitor the implementation of agreed management actions

External Audit Activity

- To receive and comment on the external audit plan
- To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance
- To comment on the scope and depth of external audit work and to ensure it gives value for money
- To monitor the implementation of management actions arising from external audit work

Regulatory Framework

- To monitor and review the effective development and operation of corporate governance, risk management and internal control, and to receive progress reports as required
- To oversee the process for production of the Annual Governance Statement (AGS), to review the supporting evidence, and to approve the draft AGS
- To monitor the development and implementation of the council's anti-fraud and corruption policy and strategy

Financial Management and Accounts

- To ensure the council's arrangements for financial management are adequate and effective, and are regularly reviewed
- To review and approve the annual Statement of Accounts
- To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.