

Telford & Wrekin Council

Audit Committee Terms of Reference

The Committee has the responsibility on behalf of the Council for the overseeing of the Council's audit, governance (including risk management) and financial processes in conformance with the Global Internal Audit Standards – UK Public Sector (GIAS-UKPS).

Delegated matters, i.e. matters which can be decided (resolved)

1. The approval (but not direction) of, and monitoring of progress against, the Internal Audit Charter and annual plan.
2. The Committee will receive and consider the annual audit opinion of the Chief Internal Auditor in the Annual Audit Report and supplemented in the Annual Governance Statement. The Annual Audit Report will also detail the adequacy of internal audit resource which the Committee should have oversight on.

The Committee will ensure the essential conditions for an effective internal audit function are in place including:

- Mandate and authority
- Independence
- Resources and competence
- Access to information and senior management
- Quality assurance

3. Review summary internal audit reports and the key issues arising and seek assurance that action has been taken where necessary and that the Internal Audit Team are working effectively.
4. The Committee will ensure the independence of Internal Audit and be alert to such threats to this independence and objectivity. This will include overseeing reporting lines of the Chief Internal Auditor.
5. The Committee will not receive detailed information on investigations relating to individuals. The general governance principles and control issues may be discussed, in confidential session if applicable, at an appropriate time, to protect the identity of individuals and so as not to prejudice any action being taken by the Council.
6. The Committee will oversee Internal Audit's Quality Assurance & Improvement Programme (QAIP) and also the External Quality Assessment undertaken every 5 years.
7. With reference to the Council's External Auditors, the Committee shall:
 - a) Recommend the appointment of the External Auditors to the Council
 - b) Review and agree the External Auditors annual plan, including the annual audit fee
 - c) Receive regular update reports on progress and other reports of the External Auditor
 - d) Meet privately with the External Auditor as required
 - e) Ensure that there are effective relationships between external and internal audit so that the value of the combined internal and external audit process is maximised
8. Consider the effectiveness of the Council's governance processes and their compliance with legislation and best practice including:

- a) The Council's Code of Corporate Governance
- b) The Council's Information Security Framework
- c) The Council's Risk Management Framework
- d) GIAS - UKPS
- e) Receipt of the Caldicott Guardian's Annual Report
- f) Oversight of commercial projects
- g) The management of opportunities and risks
- h) Other corporate governance arrangements

9. Be responsible for the review and approval of the authority's Annual Governance Statement ensuring that it accurately reflects the governance, control and risk environment and any actions required to improve it. Following approval, it should accompany the accounts.
10. To review and monitor the Council's Treasury Management arrangements including treasury policies, procedures and the management of the associated risks and make recommendations to Cabinet as appropriate.
11. Review and approve the Statement of Accounts, External Auditor's opinion and reports on them to members and monitor management action in response to the issues raised by External Audit.
12. To approve the Anti-Fraud and Corruption Policy and to recommend its adoption by the Council, and to monitor its operation. The policy will be reviewed at least once every two years.
13. To approve the Speak Up Policy ('whistle blowing') and to recommend its adoption by the Council, and to monitor its operation. This policy will be reviewed at least once every two years.
14. Recognising that complaints/compliments are a Cabinet function, the Committee should review the Annual Complaints Report and seek assurances that the Council is improving in response to complaints raised. This should include maintaining an overview of the Local Government Ombudsman (LGO) investigations including the review of the LGO Annual Letter.
15. The Audit Committee will seek assurance from officers in respect to the governance arrangements for partnership working.
16. The Audit Committee will seek assurance from officers in respect to the governance arrangements of the Council's climate change measures.
17. The meetings will follow the principles of scrutiny, i.e. no party whip will be applied and a constructive, evidence based approach will be used.
18. To ensure that adequate training is received by the members of the committee on the areas covered by these terms of reference including the GIAS-UKPS.
19. To ensure that any sensitive or confidential information obtained as a result of membership of the committee is treated as confidential.
20. Annually review their effectiveness and their terms of reference.