

## Annex B

## 7. Audit and Accounts Committee

### Membership

Seven members of the Council. To reflect best practice as set out in the CIPFA *Position Statement on Audit Committees in Local Authorities and Police* (2022), there is a presumption that Committee members commit to being present for all meetings and the use of substitutes is avoided wherever possible.

The Audit and Accounts Committee shall be entitled to appoint up to three people at any one time as non-voting co-opted members of the committee. The committee shall determine whether the co-options shall be effective for a specified period, for specific meetings or for specific items. The committee may not co-opt any person who is an active member of any political party, defined as any person who engages in political activities which would not be permissible if that person was an officer holding a politically-restricted post within the Council. Co-options may only be made if the person co-opted has particular knowledge or expertise in the functions for which the committee is responsible. The Committee has a right of access to and constructive engagement with other committees/functions, for example service committees and other strategic groups, and has the right to request reports and seek assurances from relevant officers.

The Committee will meet at least four times a year, and will maintain the technical capability to discharge the Audit and Accounts Committee responsibilities of the Council.

### Summary of Functions:

- (a) Support a comprehensive understanding of governance across the organisation and among all those charged with governance, fulfilling the principles of good governance.
- (b) To provide independent assurance of the adequacy of the risk management framework and the associated control environment.
- (c) To provide independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakness of the control environment.
- (d) To support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them.
- (e) To monitor the effectiveness of the system of internal control, including arrangements for internal audit, external audit, financial management, ensuring value for money, risk management, governance, assurance statements, supporting standards and ethics, and managing the authority's exposure to the risks of fraud and corruption.

- (f) To contribute to the operation of efficient and effective external audit arrangements, supporting the independence of auditors and promoting audit quality.

Delegated Authority	Delegation / Condition
<p>Audit Activity:</p> <ul style="list-style-type: none"> <li>(i) To approve the Internal Audit strategy and monitor its progress, overseeing the independence, objectivity and performance of the internal audit function and its conformance to professional standards.</li> <li>(ii) To approve, but not direct, Internal Audit's annual plan of work and monitor unscheduled work that could potentially divert audit resources away from a plan, and monitor performance against those plans, ensuring that there are no inappropriate scope or resource limitations.</li> <li>(iii) To consider the Annual Report and opinion of the Head of Audit and Risk Management and a summary of internal audit activity and the level of assurance it can give over the Council's corporate governance arrangements.</li> <li>(iv) To consider summary internal audit reports and the main issues arising, and seek assurance that action has been taken where necessary.</li> <li>(v) To consider reports from Internal Audit on agreed recommendations not implemented within reasonable timescales.</li> <li>(vi) To consider the Annual Audit Letter, relevant reports and the reports of those charged with governance.</li> <li>(vii) To consider specific reports as agreed with the external auditor to ensure agreed action is taken within reasonable timescales.</li> <li>(viii) To comment on the scope and depth of the external audit work and to ensure it gives value for money.</li> <li>(ix) To liaise with Public Sector Audit Appointments Limited over the appointment of the Council's external auditor.</li> <li>(x) To consider the opinion, reports and recommendations of inspection agencies relevant to the Council (such as Ofsted, the Information Commissioner's Office, etc.), and their implications for governance, risk management or control, and monitor management action in response to the issues raised.</li> </ul>	

Delegated Authority	Delegation / Condition
<ul style="list-style-type: none"> <li>(xi) To suggest work for internal and external audit.</li> <li>(xii) To support effective arrangements for internal audit, promote the effective use of internal audit within the assurance framework.</li> <li>(xiii) To support effective relationships between all providers of assurance, audits and inspections, and the organisation, encouraging openness to challenge, review and accountability.</li> </ul>	
<p>Governance Framework:</p> <ul style="list-style-type: none"> <li>(i) To review any issue referred to it by the Chief Executive, executive directors or any committee of the Council.</li> <li>(ii) To monitor Council policies on “raising concerns at work” and anti-fraud and anti-corruption policies, including the Council’s complaints process, and to approve any changes regarding the Council’s Whistle-blowing Policy, Anti-Fraud and Corruption Policy, Anti-Money Laundering Policy and associated arrangements.</li> <li>(iii) To oversee the production of the Council’s Annual Governance Statement and recommend its adoption, and to monitor implementation of the Annual Governance Statement Action Plan.</li> <li>(iv) To consider the arrangements for corporate governance, and to secure assurance across the Council’s full range of operations and collaborations with other entities, and to agree necessary actions to ensure compliance with best practice.</li> <li>(v) To consider the Council’s compliance with its own and published standards and controls.</li> <li>(vi) To report as appropriate to Full Council, relevant Policy and Service Committees and the Constitution and Ethics Committee on issues which require their attention or further action.</li> <li>(vii) To receive and approve proposals regarding the Council’s exercise of powers covered by the Regulation of Investigatory Powers Act.</li> </ul>	
<p>Accounts:</p> <ul style="list-style-type: none"> <li>(i) To support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them; and to approve the Annual Statement of Accounts.</li> </ul>	

Delegated Authority	Delegation / Condition
<ul style="list-style-type: none"> <li data-bbox="188 416 1246 555">(ii) Specifically to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.</li> <li data-bbox="188 595 1222 667">(iii) To consider the External Auditor’s Report to those charged with the governance issues arising from the audit of the accounts.</li> </ul>	
<p data-bbox="167 712 427 741">Risk Management</p> <ul style="list-style-type: none"> <li data-bbox="188 786 1150 857">(i) To understand the risk profile of the Council and consider the effectiveness of the Council’s risk management arrangements.</li> <li data-bbox="188 898 1238 1003">(ii) To seek assurances that action is being taken on risk-related issues, with the right to request reports and seek assurances from relevant officers.</li> <li data-bbox="188 1043 1246 1227">(iii) To be satisfied that the Council’s-accountability statements, including the-Annual Governance Statement, properly reflect the risk environment and any actions required to improve it, and demonstrate how governance supports the achievement of the authority’s objectives.</li> </ul>	