

Appendix C

Review of Standards and General Purposes Committee terms of reference (in relation to Audit Committee function) compared to CIPFA guidance – recommended terms of reference 2022.

Current terms of reference (covering audit committee role)

Financial Governance and Audit Matters
<ul style="list-style-type: none"> • To approve the Council’s statement of accounts, and to consider any reports produced by the Chief Finance Officer, in accordance with the duty to make arrangements for the proper administration of the Council’s financial affairs
<ul style="list-style-type: none"> • To consider reports and receive recommendations from External Audit.
<ul style="list-style-type: none"> • To consider reports and receive recommendations from Internal Audit and the shared fraud partnership.
<ul style="list-style-type: none"> • To monitor the effectiveness, development and operation of risk management and governance.
<ul style="list-style-type: none"> • To formally agree the Annual Governance Statement and review the improvement plans.

Recommended Terms of reference

Financial Reporting
To review and approve the annual statement of accounts. 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 Council
To consider the external auditor’s report to those charged with governance on issues arising from the audit of the accounts
To consider reports on the effectiveness of financial management arrangements, including compliance with CIPFA’s Financial Management Code
External Audit
To consider the external auditor’s annual letter, relevant reports and the report to those charged with governance. This includes considering the Council’s arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements

To consider specific reports as agreed with the external auditor
To comment on the scope and depth of external audit work and to ensure it gives value for money
To consider options for the appointment of the Council's external auditor and make recommendations to full Council
Internal audit
To approve the internal audit charter
To approve the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources. This includes approving significant interim changes to the risk - audit plan and resource requirements
To consider the Head of Internal Audit's annual report: <ul style="list-style-type: none"> The opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the committee in reviewing the Annual Governance Statement. <p>The statement of the level of conformance with the Public Sector Internal Audit Standards and Local Government Application Note and the results of the Quality Assurance and Improvement Programme that supports the statement - these will indicate the reliability of the conclusions of internal audit</p>
To consider summaries of specific internal audit reports as requested
To consider reports from the Head of Internal Audit dealing with the management and performance of providers of internal audit services. These will include: <ul style="list-style-type: none"> Updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work. Regular reports on the results of the Quality Assurance and Improvement Programme. (QAIP) Reports on the effectiveness of internal audit including instances where the internal audit function does not conform to the Public Sector Internal Audit Standards and whether the non-conformance is significant enough that it must be included in the Annual Governance Statement To contribute to the QAIP including the external assessment undertaken once every five years
To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale
To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations
To monitor the counter-fraud strategy and policies, actions and resources. To review the assessment of fraud risks and their impact and ensure that fraud resources are directed at the areas of highest risk
Risk Management

To monitor the effective development and operation of risk management and corporate governance in the Council. This includes monitoring progress in addressing risk-related issues reported to the committee and ensuring that the Council's framework of assurance adequately addresses the risks and priorities of the Council

Governance

To review the Council's Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control

To review the council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances

Accountability Arrangements

To report to full council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose. This includes reporting on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of governance, risk management and internal control frameworks, financial reporting frameworks and internal and external audit functions

To publish an annual report on the work of the committee, including a conclusion on the compliance with the CIPFA Position Statement

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