

REPORT OF THE CHIEF FINANCE OFFICER
AND
THE HEAD OF INTERNAL AUDIT

TO THE AUDIT & ACCOUNTS COMMITTEE

WEDNESDAY 24th March 2021

TITLE: Audit and Accounts Committee Terms of Reference (2021/22)

RECOMMENDATIONS: That Members review and re-approve the current Audit and Accounts Committee Terms of Reference.

EXECUTIVE SUMMARY: The Audit & Accounts Committee is a key component of the Council's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards, in line with the approved Terms of Reference.

BACKGROUND DOCUMENTS:

- Accounts and Audit Regulations 2015
 - CIPFA's Position Statement: Practical Guidance for Audit Committees in local Government and Police (2018)
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KEY DECISION: No

DETAILS: There is a requirement that this document should be reviewed on an annual basis or with any changes to the Constitution.

The Terms of Reference were last approved by the Audit & Accounts Committee on 24th June 2020 (deferred from the cancelled March meeting).

There have been no amendments to the Terms of Reference since the version first approved by the Audit & Accounts Committee on 27th March 2019.

The version of the Committee’s Terms of Reference included within the published Council Constitution does not yet reflect the changes approved at by the Audit and Accounts Committee at their meeting on the 27th March 2019. For transparency, these differences are highlighted in yellow within the attached paper. It is the intention that the changes will be incorporated into the published constitution in due course.

A flowchart of the Audit and Accounts Committee’s escalation plan is also included as Appendix A and is unchanged.

KEY COUNCIL POLICIES:

- The Council Constitution

EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS: None noted

ASSESSMENT OF RISK: Low

LEGAL IMPLICATIONS Supplied by: Nicky Smith, Senior Solicitor

Section 151 of the Local Government Act 1972 requires every local authority to make arrangements for the proper administration of their financial affairs and to secure that one of their officers has responsibility for the administration of those affairs.

The Accounts and Audit Regulations 2015 also require authorities to ensure that they have a sound system of internal control which:

- a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;
- b) ensures that the financial and operational management of the authority is effective; and
- c) includes effective arrangements for the management of risk.

A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management control and governance processes, taking into account public sector internal auditing standards or guidance.

The authority must each financial year, conduct a review of the effectiveness of its internal control. In that regard, the Terms of Reference for the Audit and Accounts Committee have been reviewed to ensure that they are fit for purpose and reflect the committee’s delegated powers.

FINANCIAL IMPLICATIONS Supplied by: Jean Gleave (Head of Internal Audit)

There are no financial implications associated with this document.

PROCUREMENT IMPLICATIONS Supplied by: Christine Flisk (Procurement Manager)

There are no known procurement implications with this report.

HR IMPLICATIONS Supplied by: Catherine Sharples (HR Manager)

There are no known HR implications with this report.

CLIMATE CHANGE IMPLICATIONS Supplied by: N/A

OTHER DIRECTORATES CONSULTED: N/A

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WARDS TO WHICH REPORT RELATES: N/A