



AUDIT & ACCOUNTS COMMITTEE – TERMS OF REFERENCE

SUMMARY

- 1.1 This report outlines the suggested amendments to the Committee's terms of reference following the annual review.

RECOMMENDATION

- 2.1 Members comment on the proposed amendments to the Audit and Accounts Committee's terms of reference and if agreed, refer them to full Council for approval.

REASONS FOR RECOMMENDATION

- 3.1 It is good practice to review the Committee's terms of reference on an annual basis.

SUPPORTING INFORMATION

- 4.1 Council agreed to establish an Audit and Accounts Committee on 20 July 2005. The Terms of Reference were approved by Council as part of that decision. They were last reviewed in June 2010 and proposed changes were agreed by Committee at its meeting on 24 June 2010 for forwarding to full Council for approval. The revised Terms of Reference were approved by Council on 7 July 2010.
- 4.2 To adhere to best practice, the 2010 Terms of Reference were re-written based on the guidance from the Chartered Institute of Public Finance and Accountancy.
- 4.3 The suggested amendments to the terms of reference are shown in Appendix 2.

OTHER OPTIONS CONSIDERED

- 5.1 N/A

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Service Director(s) Other(s)	
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For more information contact: Background papers: List of appendices:	Richard Boneham, Head of Governance and Assurance, 01332 643280 richard.boneham@derby.gov.uk None Appendix 1 – Implications Appendix 2 – Revised Terms of Reference
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IMPLICATIONS

Financial and Value for Money

1.1 None directly arising.

Legal

2.1 None directly arising.

Personnel

3.1 None directly arising.

Equalities Impact

4.1 None directly arising.

Health and Safety

5.1 None directly arising.

Environmental Sustainability

6.1 None directly arising.

Asset Management

7.1 None directly arising.

Risk Management

8.1 None directly arising.

Corporate objectives and priorities for change

9.1 The functions of the Committee have been established to support delivery of corporate objectives by enhancing scrutiny of various aspects of the Council's controls and governance arrangements.

Audit and Accounts Committee Terms of Reference

The Audit and Accounts Committee is authorised to discharge the following functions:

Audit Activity

1. **To consider and approve the annual internal audit plan.**
2. To consider the head of internal audit's annual report and opinion, and a summary of **actual** internal audit activity (~~actual and proposed~~) and the level of assurance it can give over the council's corporate governance arrangements.
3. To consider summaries of specific internal audit reports as requested.
4. To consider reports dealing with the management and performance of the providers of internal audit services.
5. To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.
6. To consider specific reports as agreed with the external auditor.
7. ~~To comment on the scope and depth of external audit work~~ consider the annual External Audit plan and to ensure it gives value for money.
8. To liaise with the Audit Commission over the appointment of the council's external auditor.
9. In conjunction with the Council's s151 Officer, to commission work from internal ~~and external~~ audit.

Regulatory Framework

10. To maintain an overview of the council's constitution in respect of contract procedure rules, financial regulations and codes of conduct and behaviour.
11. To review any issue referred to it by the chief executive or a strategic director, or any council body.
12. To **consider, approve and** monitor the effective development and operation of risk management and corporate governance in the council.
13. To **consider, approve and** monitor council policies on whistleblowing (Confidential Reporting Code), counter fraud measures and the council's complaints process.
14. To **consider and approve** ~~oversee the production of~~ the authority's Annual Governance Statement ~~and to recommend its adoption.~~
15. To consider the council's arrangements for corporate governance and **approving** ~~agreeing~~ necessary actions to ensure compliance with best practice.
16. To consider the council's compliance with its own and other published standards and controls.
17. **To monitor Treasury Management performance.**

Accounts

18. 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 the council.
19. To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts and other reports, letters etc on the statement of accounts.

Remuneration

20. To carry out all powers and duties in respect of appointments to the Independent Remuneration Panel on Members' Allowances.