

Finance and Audit Committee:

Membership: *9 Councillors appointed by the full Council.*

Statement of Purpose:

The purpose of the Finance & Audit Committee is to provide independent assurance of the adequacy of the risk management and internal control environment of the Council, independent scrutiny of the authority's financial and non-financial performance and oversight of financial reporting processes.

Budget and Financial Control

1. To monitor the overall state of the Council's finances on at least a quarterly basis and advise the Cabinet on any action it recommends.
2. To consider the Council's Treasury Management Strategy and prudential indicators prior to the start of the financial year and adoption by the Full Council. To receive at least an in-year and annual report on treasury management activity and to comment on any amendments or updates to the strategic treasury management framework during the course of the year.

Annual Financial Statements

3. To review the annual accounting policies to be used in preparing the annual statement of accounts.
4. To review the response to the External Audit Letter to those charged with Governance prior to sign off by the Chair of the Committee.
5. To receive the audit findings report, annual audit letter and management's response to any audit finding and recommendations.
6. To consider and approve the Council's statement of accounts each year.

External Audit

7. To inform the appointment of the External Auditor undertaken by Full Council.
8. To review with management the annual audit fee letter and annual audit plan and to ensure that the provision of non-audit services does not impair the external auditor's independence or objectivity.

Internal control, Risk Management and Internal Audit

9. To review the effectiveness of the council's internal control framework, including the review and approval of the Annual Governance Statement.
10. To inform the risk assessment process used to develop the Risk Management Strategy and Corporate Risk Register for the Council.

Proposed Terms of Reference

11. To monitor the effective development & operation of risk management in the authority.
12. To monitor and review the performance of internal audit, the effectiveness of the internal audit and counter fraud function, the internal audit programme and internal audit findings, including the effectiveness of management's response to any recommendations made.
13. To consider the summary findings of internal audit reports given an opinion of Red, where the Chief Audit Executive (in consultation with the Section 151 Officer and/or Monitoring Officer as applicable and the Chair of the Finance & Audit Committee) considers the weaknesses identified to exceed a financial threshold of £25,000, or where they represent a significant risk to the achievement of the Council's Corporate Objectives.
14. To seek such assurance as it may deem appropriate that the internal audit function is independent, adequately resourced and has appropriate standing within the Council.
15. To receive the annual opinion from the Chief Audit Executive.
16. To consider and make recommendations on reports to the Council by Internal Audit, External Audit, other external inspectorates and the Local Government Ombudsman.