

TERMS OF REFERENCE: OVERVIEW AND SCRUTINY ACTING AS AUDIT COMMITTEE

The Overview and Scrutiny Committee has been given delegated authority to exercise the Audit Committee role for Ryedale District Council. References in these terms of reference to the 'Audit Committee' is a reference to the Overview and Scrutiny Committee exercising the Audit Committee role for Ryedale District Council

MEMBERSHIP:

All the members of the Overview and Scrutiny Committee

FREQUENCY OF MEETINGS:

Audit Committee agenda items will be a standing Item on the Overview and Scrutiny Committee Agenda at each of its meetings.

FUNCTIONS:

- (1) To oversee the Council's corporate governance arrangements, the work of the Council's internal auditors, and the Council's response to external audit and other external inspections.
- (2) To review the operation and compliance with the Council's Local Code of Corporate Governance, and will report annually to Council on its operation and make recommendations as appropriate and necessary on its content.
- (3) To review and approve the Statement on Internal Control as required by the Accounts and Audit Regulations 2003. In doing so, the Committee will satisfy itself that it has obtained sufficient relevant and reliable evidence to support the disclosures made, in particular by:
 - (i) receiving reports on the monitoring and progress of action plans relating to corporate governance arrangements;
 - (ii) the receipt at least once a year of a review of the effectiveness of the Annual Governance Statement;
 - (iii) considering the progress and adequacy of management's response to these reviews; and
 - (iv) receiving reports on the review and monitoring or risk management.
- (4) It will have the authority to require the attendance of any elected member, or officer of the Council, and the Audit Manager, and the External Audit Manager, may report directly to the Committee or the Chair if deemed necessary.
- (5) In terms of internal audit, the Audit Committee may make recommendations in respect of certain Internal Audit operational matters as outlined in (i) to (iv) below, and may make recommendations to the Council's Policy and Resources Committee on policy matters. In particular, the Audit Committee will:-
 - (i) receive and endorse any internal audit strategies, codes of practice, audit plans, and reports of progress against such plans as it considers necessary;
 - (ii) receive the Annual Internal Audit Report;

- (iii) review the progress and adequacy of management's response to internal audit recommendations, and matters arising from the internal audit reports;
 - (iv) consider those internal audit reports which, in the view of either the Chief Executive, the Monitoring Officer, the Chief Financial Officer of the Council or the Audit Manager require to be brought to the attention of the Audit Committee; and
 - (v) keep under review and make recommendations to the Council on the content and operation of the Council's Counter-Fraud and Corruption Policy, and Whistleblowing Policy.
- (6) In respect of external audit and other external inspections, the Audit Committee may make recommendations in respect of operational matters, and may make recommendations to the Councils Policy and Resources Committee on policy matters. In particular, the Audit Committee will:-
- (i) receive the external auditor's review of the Council's Statement of Accounts, Annual Audit Letter, Audit Plans, and any other reports and relevant matters deemed necessary by the external auditor;
 - (ii) receive the governance aspects of reports from any other external inspection bodies (and not the service aspects); and
 - (iii) review the progress and adequacy of management's response to external audit recommendations, and matters arising from other external inspection reports.
- (7) Without prejudice to the generality of the above the Audit Committee will exercise the following functions and role:
- (i) The Committee is charged with the responsibility for ensuring good stewardship of the authority's resources.
 - (ii) The Committee will recognise, and endorse the profile, status and authority of the internal audit function and will confirm its independence.
 - (iii) The Committee will contribute towards making the Council, its Committees and Directorates more responsive to Audit reports and recommendations.
 - (iv) The Committee is charged with the responsibility for promoting internal control by the systematic appraisal of the Council's internal control mechanisms, by the development of a counter-fraud culture and by the systematic review of financial procedures.
 - (v) The Committee is charged with the responsibility for focusing audit resources, by endorsing audit plans and monitoring the delivery of the audit service.
 - (vi) The Committee will monitor both internal and external audit performance.
 - (vii) The Committee will regularly, receive and consider a summary of internal audit work undertaken, including where necessary and appropriate, executive summaries or full audit reports.
 - (viii) The Committee will review compliance with Corporate Governance policies.
 - (ix) The Committee will monitor compliance with the Corporate Risk strategy.
 - (x) The Committee will ensure that it acts within the policies and strategies of the authority.