

## **Spelthorne BC – Review of the effectiveness of the Audit Committee**

### **Introduction**

1. An independent review of the effectiveness of the Council's Audit Committee has been undertaken at the request of the Council.
2. The objectives of the review have been to:
  - Help the Committee members and those working with the Committee to establish a shared understanding of the role of the Committee and where it can have maximum impact and influence.
  - Address the recommendations from the Best Value Inspection and those by the External Auditor Grant Thornton: The Council should review the structure and reporting processes of its Audit Committee. This could include recruiting a second independent member who acts as chair, in line with CIPFA guidance, and ensuring annual reports to Council. [Note - a second independent member has subsequently been recruited]
  - Review the operation of the Committee, including its terms of reference, how it has fulfilled those terms of reference, demonstrated the impact of its work and suggest changes.
  - Consider any areas where the scope and impact of the Committee's work could be strengthened to increase its impact and influence.
  - Identify areas for improvement and support to develop an improvement plan for the Committee and where further training or support to the Audit Committee members is recommended and the value of another independent committee member
  - Share knowledge and experience of working with other audit committees in local government.
3. The overall conclusion from undertaking this review is that despite an obvious commitment to try and perform as an effective audit committee there are areas where its effectiveness can be improved that will add greater challenge and support to the Council as it navigates through its overall improvement journey.
4. An effective audit committee is an essential ingredient in good governance. It must have the status, profile, and support in a council to add value and make a significant contribution to improving governance and overall public accountability. Fulfilling the role as per good practice and guidance is important to give the committee credibility.

5. Ineffective audit committees have been cited as a common theme in reports on councils that have found themselves in financial and governance difficulties. Whilst audit committees are generally not directly responsible for a council's governance arrangements, they have an important role to ensure the council has effective governance in place and be able to challenge and support the council to identify weakness and therefore make improvements. An effective audit committee is not passive and does, and is seen to, contribute to the success of the council.

## **Acknowledgement**

6. Having an independent review like this can be challenging. However, sincere thanks go to the Committee and key officers for their openness and accessibility to facilitate this review. Everyone has demonstrated a clear desire to improve the governance of Spelthorne BC. It is also clear from the discussions there is an acceptance and willingness to change.

## **Methodology**

7. The review has considered the Committee's terms of reference and whether they are appropriate, how the meetings are conducted, the agendas, reports, and minutes. This has been undertaken by reviewing the agendas and viewing the YouTube recordings of meetings. Two meetings have been attended live (July and September 2025).
8. Interviews have been held with all the active members of the Committee, key officers, internal and external auditors, and a Committee Chair to ensure as rounded a view and perspective as possible (24 interviewees in total).
9. The CIPFA guidance on Audit Committees (2022) has been used plus a wide experience of audit committee practice across local government.
10. A summary of the recommendations for the Council / Audit Committee to consider are shown at Appendix 1.

## Key findings

### Terms reference

11. The Committee's terms of reference (ToR) are typical of many councils. They are however narrow in their scope. This is not necessarily a problem if the key areas of governance, beyond a largely internal audit, external audit, accounts and risk management focus, are considered elsewhere by members. However, there is no provision for any other member body to consider wider governance matters beyond those mentioned above and given the issues and wider context of the Council it would seem appropriate for the ToR for the audit committee to be enhanced.
12. It is therefore recommended (R1) to review the ToR and ensure they cover the full range of the Council's governance arrangements. Having a clear focus on the wider aspects of governance links to how the Council is looking to change its approach to risk / governance management. Reviewing the Council's approach to risk management is the subject of a separate review but has implications for the Audit and other Committees.
13. As well as broadening the remit of the Audit Committee it is also recommended (R2) to capture the new ToR in a format that assists in agenda planning and provides greater clarity regarding the purpose of reports, who is responsible for them and their frequency to the Committee. A suggested format is provided at Appendix 2.
14. Broadening the remit of the Committee will introduce wider engagement across the senior managers of the Council. This will help the Committee to demonstrate its role as an advocate for good governance and hold management to account for having effective governance, risk management, and internal controls in place and that there is consistent and timely compliance.
15. The Council does not have a dedicated overview and scrutiny committee. The scrutiny role lies with the other service / policy committees. Although this review has not examined the effectiveness of those committees, it has been observed that the Audit Committee has been operating in a scrutiny / performance committee way. This is clearly not appropriate.
16. The Audit Committee has been delegated the responsibility to approve the statement of accounts and annual governance statement (AGS). Whilst this is not uncommon, CIPFA's guidance recommends that audit committees should be

non-executive and therefore not have any decision-making powers. In the case of the accounts and AGS it should be the full council, i.e., those charged with governance (TCWG) that approves these two documents. It is however appropriate for the Audit Committee to consider these, make comments and refer / recommended them to full Council for formal approval. It is recommended (R3) therefore that the ToR are changed to ensure the formal decision-making responsibility for the approval of the statutory accounts and AGS rests with the full Council.

17. A review of the Committee's terms of reference should ensure there is a focus on the Council's *arrangements* for governance, risk, and internal control. It is an important role of an audit committee to have that over-arching focus on the organisation's arrangements and that they are effective and discharged appropriately to help ensure the efficient and economic delivery of services. Observations of meetings highlights a propensity to focus on detail, on performance and not on arrangements. By way of example, in considering risk reports, considerable time has been observed spent discussing the merits of particular risk scores rather than actions, impact and accountabilities.
18. It is important that the Audit Committee has a focus on the Council's governance, risk, and control arrangements and that other member bodies perform the scrutiny / performance role. To enable the Audit Committee to do this will rely on the service / policy committees adopting greater rigour and challenge on policy decisions and service and corporate performance. A wider review of the terms of reference is therefore recommended (R4) to re-establish the roles of the various committees.
19. The focus on *arrangements* needs to be supported by a different style of report. The Audit Committee should be better informed and assured from receiving a report. Audit committee reports are not for decision-making and as such can and should be formatted to ensure a focus on explaining the relevant arrangements in place (or not) and how effective (or not) they are. It is perfectly appropriate for an audit committee to use examples of governance, risk, and controls to 'test' the arrangements, but actual performance should be the preserve of the other committees. It is therefore recommended (R5) that the format of audit committee reports is reviewed such that they better serve the specific needs of the Committee (to be informed and assured) and to receive such information and assurances via presentations as well as through formal reports.
20. It is likely following this change, that report authors will require training / guidance to ensure they prepare audit committee reports appropriately.

### Committee membership and structure

21. The number of councillor members of the Audit Committee at 7 is within the range recommended in CIPFAs guidance. Up to recently, there was one independent member. An additional independent member has been appointed with their first meeting in September. It is recommended to have at least one independent member and there is speculation that future guidance or indeed legislation will mandate their inclusion and possibly to appoint an independent member as chairperson.
22. The SBC Audit Committee is constituted with 3 Conservative councillors, 2 Liberal Democrats, 1 Labour and 1 Independent, broadly reflecting the political balance of the Council. The Chair is a Labour member, and the vice chair a Conservative. Each member of the Committee interviewed was asked if meetings operated without political bias. The consensus was that politically focussed questions and comments were made which were not appropriate. A fundamental premise for an effective audit committee is for it to operate in a non-political manner.
23. All councillor members of the Committee were united in valuing the input from the existing independent member and welcomed the addition of a second.
24. To reinforce the non-political approach, it is recommended (R6) that consideration is given to appointing one of the independent members as Committee Chair.
25. Although in the period of meetings reviewed, there were no meetings that were inquorate, the quoracy level is just 3 members. This seems low, and it is therefore recommended (R7) to increase the quoracy level to 4 members and 1 independent member.
26. Substitute members are used for the Committee. Whilst this may ensure quorate meetings, it is not recommended practice due to the lack of continuity and the difficulty in seeing matters through. It is recommended (R8) that the use of substitute members should stop to fall in line with recommended practice.
27. The councillor membership of the Audit Committee has changed significantly in the 20-month period included in the review (13 different councillors as core members across the 10 meetings included). Whilst this is somewhat inevitable in a political environment, this does not support continuity of focus and the ability to improve the awareness and expertise within the Committee. Every attempt should be made to commit to have as much continuity as possible.

28. It is recommended by CIPFA that members of an audit committee should not hold an executive or policy committee chair position. It is recommended (R9) that the membership of the Committee be reviewed to ensure that no policy committee chairs are members. Consideration should be given to extend non-audit committee membership to the policy committee vice-chairs, although it is accepted that given the number of members in total and the number of other committees it may not be possible.
29. When asked about training for Committee members, all stated that there had been very little and no induction training as such. It is essential that members of the Committee, both councillor and independent, receive a broad induction regarding how the Committee operates and the requirements of its members.
30. The work of the audit committee is broad, and it is therefore important that all members are sufficiently trained / aware of the various elements of its ToR. Whilst it is not appropriate nor practical to expect audit committee members to become subject-matter experts, it is necessary to ensure sufficient awareness such that the committee can ask the necessary questions to obtain the assurances they require. The ability to ask appropriate questions even with little technical awareness is an important element of the committee.
31. In order to design an appropriate training and awareness programme it is recommended (R10) that following the approval of the new ToR, each audit committee member completes a training needs assessment. This would be used to prioritise the training to be delivered.
32. To facilitate additional and regular training and awareness, it is also recommended (R11) that provision is made for training sessions in advance of each formal meeting and that provision is also made in the meeting calendar for a 'development' session, an informal meeting of the Committee at which additional training can be delivered and the ToR reviewed. Both the pre-meeting sessions and the development session have been used in other councils.
33. Consideration should also be given to open the pre-meeting and other training sessions to non-audit committee members to broaden the general awareness of good governance and to ensure there is a wide appreciation of the work of the Committee.
34. In so far as time and resources allow, audit committee training should be delivered by both internal and external sources.

### Audit Committee management

35. The Committee is now scheduled to meet 6 times a year. It is noted that additional meetings have been needed to accommodate the items on the agenda.
36. With the change in ToR, it is recommended (R12) to consider increasing the number of formal meetings to 8. Ensuring the Committee's attention is on the Council's *arrangements* for governance moving forward should help in having more focussed questioning and therefore more effective meetings. Even with a further 2 meetings and a more focussed approach, it may still be necessary to have additional meetings. It is important however that any additional meetings remain focussed on the Council's *arrangements* and not stray into policy committee territory. It is perfectly acceptable and appropriate however for an audit committee to refer a matter to another committee whose remit is better placed to consider it.
37. The new ToR will require a revised committee workplan and agenda structure. Both documents should be populated somewhat by default based on the Committee's broader remit. Although there will be a significant degree of consistent scheduling of items, it is nevertheless important that the Committee exercises its right to add additional items, or follow-up items relevant to the ToR. The agendas of effective audit committee are characterised by being committee-led.

### Audit committee impact and influence

38. It was noted that the Chair, Vice-chair, and independent members of the committee have detailed and lengthy pre-meetings / briefings with key officers. Although these meetings are used to ensure the reports are clear and accurate it is important that they do not become a 'rehearsal' of the formal meeting. Again, following the change in the Committee's ToR and format of the reports (with a clearer focus on information and assurance) it is recommended (R13) to review the nature of the Chair's briefing.
39. It is good practice for the committee chair (at least) to have regular meetings (perhaps no more frequently than quarterly) with the statutory officers and the Head of Internal Audit. Effective audit committees need to be in tune with the current and emerging issues a council faces and how they relate to the work of the committee. It is therefore recommended (R14) that the Chair (at least) has scheduled meetings with those key officers.

40. More formally and within the actual Audit Committee meeting structure, provision should be made for the Committee to meet with the Head of Internal Audit and the External Audit Engagement Lead without management present. This is good practice as per the CIPFA guidelines for audit committees. It is recommended (R15) therefore that an item is formally included in the Committee's workplan to meet both auditors at least annually but with further provision that should the Committee or either auditor require an additional meeting that this is accommodated in a timely manner.
41. There was a consensus from the audit committee members interviewed that the committee did not have much of an impact or influence. There is a general issue that audit committees can exist in their own bubble and not have the profile, status and therefore the impact that they should have.
42. The revised ToR will help to raise the profile of the Committee. The 'refresh' of the other committees will highlight the relationship between them and the Audit Committee, particularly around the consideration of risk registers.
43. There are a number of things the committee should consider to raise its profile and impact. It is therefore recommended (R16) that the following are considered:
- Open invitation (and encouragement) for other committee chairs / vice-chairs to observe an Audit Committee meeting
  - The Audit Committee Chair to attend other committees
  - Prepare an 'assurance' summary after each Audit Committee meeting to be presented to full Council alongside the formal minutes
  - Ensure there is a formal annual report from the Audit Committee, timed to contribute to the consideration of the annual governance statement
  - Communicate across the Council about the Committee's work to raise awareness more generally
  - Include the work of the Audit Committee in the corporate induction process for managers / staff

#### Next steps

44. It is recommended (R17) that the Audit Committee considers this report and prepare an action plan. This action plan should be considered by the Committee at its November meeting and subsequently endorsed by full Council. Progress against the action plan should be considered at each Audit Committee meeting



with an updated position shared with full Council as part of the Committee's minutes / assurance report.

#### Wider governance considerations

45. Although not specifically part of the scope of the review, given the major challenges the Council faces, and to strengthen the focus on good governance and compliance, consideration should be given to establish a 'governance group'. Such a group would comprise the three statutory officers and the Head of Internal Audit, plus the chairs of the Audit Committee and Corporate Policy and Resources Committee. It would not necessarily have a status of a formal 'committee' as such but have the appropriate profile to influence and manage governance matters. There is of course the Governance Theme within the Improvement and Recovery Plan which could encompass that wider perspective on governance and compliance across the Council.
46. This governance group would have the remit to consider emerging governance or compliance issues and have general oversight of the governance assurance framework. Other senior managers should be expected to be invited to the governance group to discuss any specific service matters and explore how governance and/or compliance could be improved.

#### Conclusion

47. There is a clear commitment to improve the effectiveness of the Audit Committee and in so doing improve overall governance at the Council. The changes recommended will require a change in culture and such a change is not always easily adopted and implemented. It is important that the Audit Committee and wider Council embrace the changes needed as quickly as possible to realise the improvements needed.

## Summary of recommendations

Ref	Recommendation	Response	Action	Responsible Officer	Timeframe
R1	To review the Committee's ToR and ensure they cover the full range of governance arrangements.				
R2	To capture the new ToR in a format that assists in agenda planning and provides greater clarity regards the purpose of reports, who is responsible for them and their frequency to the Committee.				
R3	To change the Committee's ToR to ensure the formal decision-making responsibility for the approval of the statutory accounts and AGS rests with the full Council.				
R4	To review the ToR of the other committees to re-establish their roles.				
R5	To review the format of audit committee reports to ensure they better serve the specific needs of the Committee.				
R6	To consider appointing one of the independent members as Audit Committee Chair.				

<b>Ref</b>	<b>Recommendation</b>	<b>Response</b>	<b>Action</b>	<b>Responsible Officer</b>	<b>Timeframe</b>
R7	To increase the quoracy level to 4 members and 1 independent member.				
R8	To stop the use of substitute members to fall in line with recommended practice.				
R9	To review the membership of the Committee to ensure that no policy committee chairs (and vice-chairs if practical) are members.				
R10	That all Audit Committee members complete a training needs assessment following the revision of the ToR.				
R11	That provision is made for training sessions in advance of each formal meeting and that provision is also made in the meeting calendar for a 'development' session.				
R12	To increase the number of formal meetings to 8.				
R13	To review the nature of the Chair's briefing.				
R14	That the Chair (at least) has scheduled meetings with the statutory officers and Head of Internal Audit				
R15	That an item is formally included in the Committee's workplan to meet both Internal and External				

Ref	Recommendation	Response	Action	Responsible Officer	Timeframe
	Audit at least annually but with further provision that should the Committee or either auditor require an additional meeting that this is accommodated in a timely manner.				
R16	<p>To improve the profile and impact of the Committee the following are considered:</p> <ul style="list-style-type: none"> <li>• Open invitation (and encouragement) for other committee chairs / vice-chairs to attend an audit committee meeting</li> <li>• The audit committee chair to attend other committees</li> <li>• Prepare an 'assurance' summary after each audit committee meeting to be presented to full Council alongside the formal minutes</li> <li>• Ensure there is a formal annual report from the audit committee, timed to contribute to the consideration of the annual governance statement.</li> <li>• Communicate across the Council about the Committee's work to raise awareness more generally.</li> </ul>				

Ref	Recommendation	Response	Action	Responsible Officer	Timeframe
	<ul style="list-style-type: none"> <li>Include the work of the audit committee in the corporate induction process for managers / staff</li> </ul>				
R17	That an action plan is prepared and monitored at each meeting.				
R18	Consideration should be given to establish a 'governance group.'				

**Suggested revised terms of reference for the Audit Committee**

Function	How Discharged	Lead Officer	Frequency	Audit Committee Action / Output
<b>A General Remit</b>				
1 To provide independent assurance of the adequacy of the risk management framework and the associated control environment.	Receive the Risk Management Strategy and Framework for periodic review.	XXX	Annually	Review the Risk Management Strategy and Framework and consider the assurances it provides that appropriate and effective arrangements for the management of risk are in place.
	Receive an annual Risk Management report.	XXX	Annually	Review the annual report and consider the assurances it provides regarding risk management activity during the year and that it aligns with the Annual Governance Statement.
	Receive update reports and presentations on the Council's strategic and other key risks.	XXX / Relevant COs / GHs	At each meeting	Receive presentations from the relevant Senior Officers on their strategic risks and consider the assurances they provide that the strategic risks are being managed effectively.
2 To provide independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment.	Receive regular reports demonstrating the Council's financial and performance arrangements.	Chief Finance Officer	Quarterly	Review the financial and performance monitoring reports (considered by CP&R) and consider the assurances they provide that the arrangements are fit for purpose and effective.
3 To oversee the financial reporting process.	To receive the draft and final statement of accounts in accordance with statutory requirements.	Chief Finance Officer	As per the statutory timescales	Review the draft and final accounts and consider the degree of assurance provided that they meet professional accounting standards and statutory timeframes, commenting as

Function	How Discharged	Lead Officer	Frequency	Audit Committee Action / Output
				necessary and referring them for formal approval to full Council.
4 To promote the application of and compliance with effective governance arrangements across the Authority and its partner organisations.	To receive reports regarding the Council's governance arrangements (assurance reports) and particularly the preparation of the statutory Annual Governance Statement.	XXX	As per the statutory timescales	Review the periodic governance assurance reports and reports regarding the preparation of the Annual Governance Statement and consider the assurances they provide that the Council's governance arrangements are in place and effective.
<b>B Internal Control incorporating Risk Management, Financial Probity and Stewardship</b>				
To consider the overall adequacy and effectiveness of the system of internal control and the arrangements for risk management, control and governance processes and securing economy, efficiency, and effectiveness (value for money).	Through a programme of reports and presentations covering the Authority's risk, control, and governance arrangements.	XXX	At each meeting / Annually	Review the Committee's workplan and consider whether it covers the necessary areas to fulfil the Committee's terms of reference and therefore provide the necessary information and assurances.
To ensure that the highest standards of financial probity and stewardship are maintained throughout the Authority, within policies set by the Council from time to time.	Receive for consideration and recommendation for approval the Council's Financial Regulations and supporting policies.	Chief Finance Officer	As per review cycle or as required.	Review the Council's Financial Regulations (and related policies) and consider whether they are fit for purpose and therefore provide assurances to the Committee and to recommend to CP&R Committee / Council (as appropriate) for formal approval.
	Receive and consider relevant Corporate Assurance reports	XXX	Quarterly, within Corporate Assurance update reports.	Consider the assurances provided within the quarterly Corporate Assurance reports such that the Committee is assured of appropriate management action being taken to address any control weaknesses identified.

<b>Function</b>	<b>How Discharged</b>	<b>Lead Officer</b>	<b>Frequency</b>	<b>Audit Committee Action / Output</b>
To consider such policies for consideration and approval by the Council.	Receive relevant draft policies for consideration and recommendation for approval.	XXX	As required	Review the draft policies and consider whether they are fit for purpose and will therefore provide the necessary control, risk, and governance framework.
To promote effective internal control by the systematic appraisal of the Authority's internal control mechanisms and by the development of an anti-fraud culture.	Receive regular Corporate Assurance reports (incorporating anti-fraud reports) and other governance assurance reports.	Head of Internal Audit and Governance Leads	At each meeting	Review the various reports and consider the degree of assurance they provide regarding the effectiveness of internal control arrangements.
To promote effective risk management throughout the Council in accordance with the Council's Risk Management Policy Objectives Statement.	Receive the Risk Management Strategy and Framework for periodic review.	XXX	Every 2 years	Review the Risk Management Strategy and Framework and consider the assurances it provides that appropriate and effective arrangements for the management of risk are in place.
To periodically review the Authority's strategic risk register and to invite, when appropriate, a Member of the Management Team to meetings to discuss strategic risks within their specific service area.	Receive update reports and presentations on the Council's strategic and key other risks.	XXX / MAT / GHs	At each meeting	Receive presentations from the relevant senior officers on their strategic risks and consider the assurances they provide that the strategic risks are being managed effectively.
To consider, challenge and comment on the Annual Governance Statement.	Receive the draft and proposed final Annual Governance Statement.	XXX	Annually as per statutory timescales	Review the draft and proposed final Annual Governance Statement and consider (and comment as required) that it has been prepared in accordance with recommended practice and adequately reflects the governance issues and areas for improvement determined through the annual governance review process.



Function	How Discharged	Lead Officer	Frequency	Audit Committee Action / Output
				Recommend the Final Annual Governance Statement to Full Council for formal approval and publication.
<p>To receive reports on additional corporate functions contributing to overall assurance against the corporate priorities and specifically in relation to:</p> <ul style="list-style-type: none"> <li>• Human Resources</li> <li>• Health &amp; Safety</li> <li>• Business Continuity and Emergency Resilience</li> <li>• Information Governance</li> <li>• Strategic Procurement and contract management</li> <li>• Asset Management</li> <li>• Ethical Framework</li> <li>• Equality and Inclusion</li> <li>• Partnership and Collaboration Governance</li> <li>• Environmental Governance.</li> </ul>	Receive governance assurance reports	Governance Lead Officers	Each governance area at least annually.	Review the governance assurance report and consider the extent to which assurances are provided that the arrangements in place are effective and efficient.
To encourage wider dialogue with members of the Management Team by inviting them to meetings on a periodic basis to give assurance about issues identified within reports relating to various Council	Invite relevant senior management to provide assurances regarding and control, risk or governance issues identified in Corporate Assurance (Internal Audit) or other audit or inspection reports.	Relevant Senior Officer	As and when required	To consider the explanations provided and the assurances they provide that suitable improvements have been made regarding any weaknesses or issues raised in Corporate Assurance reports.

Function	How Discharged	Lead Officer	Frequency	Audit Committee Action / Output
activities and in particular those which are subject to reported Corporate Assurance implications.				
<b>C Internal Audit</b>				
To oversee, in consultation with the HoIA, the preparation and approval of an annual IA plan for the Authority and to receive periodic reports from the HoIA on performance against the plan.	Receive the corporate IA plan preparation methodology.	Head of IA	Annually (January)	Review the methodology for the preparation of the annual IA plan and consider the assurance it provides that an appropriate and risk-informed plan of work is prepared.
	Receive the proposed corporate assurance (internal audit) plan.	Head of IA	Annually (March)	Review the proposed IA plan and consider the assurance it provides that an appropriate plan of work has been determined that will support the Head of IAs annual opinion.
To monitor compliance with IA reports following their consideration by management.	Receive quarterly IA progress reports that include details of management's compliance.	Head of IA	Quarterly	Review the quarterly IA progress reports and consider the assurances they provide regarding management's compliance.
To review the performance of the IA Team by way of quarterly performance management reports.	Receive quarterly IA progress reports that include details of the function's performance.	Head of IA	Quarterly	Review the quarterly IA progress reports and consider the assurances they provide regarding the function's performance.
To consider the Head of IA annual audit report and opinion, and a summary of activity (actual and planned) and the level of assurance it can give over the Council's corporate governance arrangements.	Receive the Head of IA annual reports covering internal control, risk and governance assurance, and anti-fraud activity.	Head of IA	Annually	Review the various Head of IA annual reports and consider the assurances they provide regarding the effectiveness and efficiency of the Council's internal control, risk and governance arrangements and arrangements for anti-fraud.

Function	How Discharged	Lead Officer	Frequency	Audit Committee Action / Output
To enhance the profile, status and authority of the IA function and demonstrate its independence.	Have a private meeting with the Head of IA as part of the Committee's workplan.	Head of IA	Throughout the year	Hold a private meeting with the Head of IA at least annually to be assured of their independence and unfettered access to the Committee.
	Ensure the Head of IA has unfettered access to the Committee.	Director of Finance	Throughout the year	Review the Head of IA annual report and the preparation and delivery of the IA Plan and consider the assurances they give that the function is adequately resourced.
	Support the work of the IA Team in being assured it has sufficient resources and skills to discharge its professional responsibilities.	Head of IA	Throughout the year	
To approve and periodically review the IA Charter.	Receive the IA Charter.	Head of IA	Annually	Review the IA Charter and consider the assurances it provides that it has been prepared in accordance with professional standards and can be delivered.
<b>D External Audit and other Inspectorates or Regulatory Bodies</b>				
To oversee, in consultation with external auditors, the preparation of the annual audit plan for the Authority and to receive periodic reports from the external auditor on performance against the plan.	Receive the External Audit proposed plan of work and periodic progress / update reports on the delivery of the plan.	External Audit Engagement Lead	Annually and at each meeting.	Review the plan proposals and consider the assurances it will provide.  Review the progress reports and consider the progress made against the plan.

Function	How Discharged	Lead Officer	Frequency	Audit Committee Action / Output
To consider and report to CP&R and the Council the annual audit and inspection letter.	Receive the External Auditor's ISA260 Report and Annual report.	External Audit Engagement Lead	Annually	Review the External Auditor's annual reports and consider the assurances they provide regarding the Council's statutory accounts and consider External Audit's assessment of the Council's value for money arrangements.
To consider the appointment of the Council's external auditor.	Receive a report on the Council's arrangements to appoint the External Auditor.	Chief Finance Officer	As per the required timescales	Review the Director of Finance's recommendation regarding the method of appointing the Council's external auditor and consider whether the proposal will ensure an appropriate appointment.
To monitor compliance with external audit, external inspectorate and Ombudsman reports following their consideration and resolution by the CP&R and/or Council.	Receive relevant reports.	XXX	As and when required	Review the reports and consider if any additional action or recommendations are required and monitor any subsequent progress.
<b>E Other</b>				
To consider general issues and statistics in relation to the Council's Confidential Reporting (Whistleblowing Policy) "Whistleblowing" Policy.	Receive an annual report.	XXX	Annually	Review the report and consider the assurance it provides that the Council's Whistleblowing / Confidential Reporting arrangements are fit for purpose and that appropriate action has been taken in relation to any concerns raised.
To review the Authority's use of the Regulation of Investigatory Powers Act	To receive an annual report on RIPA (Regulation of Investigatory Powers Act) activity.	XXX	Annually	Review the report and consider the assurance it provides that the Council has utilised the Regulation of Investigatory Powers Act appropriately and that appropriate action has been taken in relation to any concerns raised.
To review the Authority's arrangements for establishing	Receive draft framework documents.	XXX	Annually	Review the draft framework documents and consider the assurances they provide that they

Function	How Discharged	Lead Officer	Frequency	Audit Committee Action / Output
an appropriate anti-fraud framework.				will ensure effective anti-fraud arrangements are in place.
To monitor compliance with and the effectiveness of anti-fraud and corruption policies and procedures.	Receive periodic reports and an annual report on anti-fraud activities.	XXX	Annually and mid-year	Review the reports and consider the assurances they provide that the Council's anti-fraud arrangements are effective.
To monitor compliance with the Authority's Partnership Governance Framework.	Receive relevant assurance reports and the management of partnership governance.	XXX	As and when required / annually	Review any Corporate Assurance reports that refer to partnership governance matters and consider the assurance they provide that the Council's arrangements are effective. Review an annual assurance report and consider the assurance it provides that the arrangements are fit for purpose.
To consider and review compliance with the Authority's Treasury Management policy.	Receive relevant reports regarding the Council's treasury management responsibilities	Director of Finance	Annually / periodically throughout the year	Review the reports and consider the assurances they provide that the Council is meeting its treasury management responsibilities.
<b>F Accounts</b>				
To review the financial statements, external auditor's opinion, and reports to Members, and monitor management action in response to the issues raised by External Audit	Receive the draft and final statutory financial statements and the External Auditor's opinion.	Director of Finance / External Audit Engagement Lead	As per the statutory timescales	Review the draft and final financial statements and consider whether they have been prepared in accordance with professional accounting standards and be assured of management's response to any issues / recommendations raised by External Audit. Recommend the presentation of the financial statements to Full Council.
To contribute to the annual review, consideration, and challenge of the financial statements.	Receive the draft and final statutory financial statements and the External Auditor's opinion.	Director of Finance / External Audit Engagement Lead	As per the statutory timescales	Review the draft and final financial statements and consider whether they have been prepared in accordance with professional accounting standards.

Function	How Discharged	Lead Officer	Frequency	Audit Committee Action / Output
	Receive any necessary briefings / training regarding the preparation of the financial statements.	Director of Finance	As required	Participate in the training provided.