

## Extract from TMBC Constitution – Responsibilities of the Audit Committee

<b>2.</b>	<b>Audit Committee</b>
Size and Membership:	
To consist of seven members and it shall be politically balanced, none of whom may be a member of the Executive.  (Quorum: 3 Members of the Committee)	
Terms of Reference:	
The Committee shall provide to those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes. By overseeing internal and external audit it makes an important contribution to ensuring that effective assurance arrangements are in place. It shall also provide independent assurance on the effectiveness of the control environment, including arrangements for value for money and countering fraud.  The functions of the committee shall include:	
1.	To consider the Chief Audit Executive annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the council's corporate governance arrangements.
2.	To consider summaries of specific internal audit reports as requested.
3.	To consider reports dealing with the management and performance of the providers of internal audit services.
4.	To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.
5.	To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
6.	To consider initially general and specific audit reports from the successors to the Audit Commission, the External Auditor and the Director of Finance and Transformation, to make recommendations to Council for future action and to monitor the Council's implementation of those recommendations.
7.	To consider specific reports as agreed with the external auditor
8.	To comment on the scope and depth of external audit work and to ensure it gives value for money
9.	To oversee the appointment of the Council's external auditor.

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10.	To commission work from internal and external audit.
11.	To monitor the effective development and operation of risk management and corporate governance in the council.
12.	To monitor council policies on 'Raising Concerns at Work' and the anti-fraud and anti-corruption strategy and the council's complaints procedure.
13.	To oversee the production of the authority's statement on internal control and to recommend its adoption.
14.	To consider the council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.
15.	Effectiveness of the control environment including arrangements for value for money and countering fraud.
<b>Corporate Governance Framework</b>	
16.	To maintain an overview of the council's constitution in respect of contract procedure rules, financial procedure rules and codes of conduct and behaviour.
17.	To review any issue referred to it by the Chief Executive or a chief officer or any council body.
18.	To consider the council's compliance with its own and other published standards and controls.
<b>Accounts</b>	
19.	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.
20.	To consider the external auditor's report to those charged with governance on issue arising from the audit of the accounts.
<b>Treasury Management</b>	
21.	To consider reports on Treasury Management Activity and the formulation of the Treasury Management and Annual Investment Strategy.