

Audit Committee: Terms of Reference

COMPOSITION

The Audit Committee is composed of nine Members, comprising seven members of Council and two Independent non voting Members (members who are not a Councillor) with the Chairman and Vice Chairman being appointed at full Council. Membership to be drawn from the non-executive element of the Council and by law remain politically balanced.

(updated: Council 02/03/11)

QUORUM

The quorum for the Committee is 3 Members.

PURPOSE

The Council has established an Audit Committee whose primary purpose is to ensure best practice in corporate governance and to enable the Council to discharge its fiduciary responsibilities in preventing fraud and corruption, and arranging proper stewardship of public funds.

The Committee will generally meet five times per year, with dates included in the Council calendar. Further meetings can be arranged on an ad hoc basis as appropriate.

The Committee will operate within the requirements of the Access to Information Act but will at times have to consider certain 'exempt' issues in private session.

The Committee will report directly to full Council.

TERMS OF REFERENCE

To consider:

Internal Audit

- i) The annual Internal Audit ~~and Risk Management~~ report, including the Head of Internal Audit and Risk Management's annual opinion over the Council's assurance framework and internal control environment.
- ii) ~~The Council's assurance framework and internal control environment.~~ **The annual risk-based plan of internal audit work, from which the annual opinion on the level of governance, risk management and internal control can be derived. The plan will include the budget requirement and resource plan in terms of audit days needed to deliver the programme of work.**
- iii) **The internal audit charter, defining the service's purpose, authority and responsibilities. The charter will cover arrangements for appropriate**

resourcing, define the role of internal audit in fraud-related work and set out arrangements for avoiding conflicts of interest.

- iv) ~~Reports dealing with the management and performance of the Audit and Risk Management Division as the providers of Internal Audit Services.~~ Regular updates from the Head of Internal Audit and Risk Management on audit and investigation activities. These will include progress on delivering the annual programme of work, emerging themes, risks and issues and managements responsiveness in implementing recommendations and responding to Internal Audit. **In line with requirements of the Public Sector Internal Audit Standards, performance of the Internal Audit Service and the results of quality assurance and improvement activities will also be reported.**
- v) Specific Internal Audit reports agreed between the Chairman and the Director of Finance, Resources & Customer Services or the Chief Executive.
- vi) The Council's policies on 'Raising Concerns at Work' and the 'Anti fraud and corruption strategy'.
- vii) The implementation of relevant legislation relating to fraud and corruption.

To be deleted from the existing Terms of Reference:

- ~~• reports dealing with the management and performance of the Audit & Risk Management Division as the providers of Internal Audit Services~~
- ~~• To monitor the effectiveness of the internal control and governance systems~~

External Audit

- i) The External Auditor's Annual Letter and relevant reports.
- ii) Specific reports as agreed with the External Auditor.
- iii) To comment on the scope and depth of external audit work and to ensure it gives value for money.
- iv) To consider the External Auditor's Report to those charged with governance from the audit of the accounts.

Risk Management

- i) To monitor the effective development and operation of risk management and corporate governance in the Council to ensure compliance with best practice.

Procurement and Contracts

- i) To maintain an overview of the Council's Constitution in respect of contract procedure rules, financial regulations and relevant codes of conduct and protocols.
- ii) To consider reports on waiving of contract procedure rules.

Other issues

- i) To approve the Council's annual Statement of Accounts.
- ii) Any matters referred to it from the Monitoring Officer's meetings.
- iii) To review any issue referred to it by the Chief Executive or a Director, or any Council body for determination.
- iv) Adopt Enfield's Council Tax base.
- v) To prepare an Annual Report for submission to Council. The Annual Report will contain information on the work done by the Committee over the past year and outline work to be done in the year to come.
- vi) The Council's Annual Governance Statement and to formally agree it.
- vii) To review quarterly updates on the use of Regulation of Investigatory Powers Act 2000 (RIPA).
- viii) To commission work from internal and external audit.

(Updated: Council: 10/11/10)

- ix) To oversee strategic pay and remuneration issues relating to senior management, with the following specific functions:
 - a) To determine whether there was any requirement for a formal review on the relevant pay and remuneration markets;
 - b) Where necessary, to commission relevant research data analysis;
 - c) To review any corporate remuneration issues arising out of the Council's pay progression policies and practices;
 - d) To consider any proposals made by Central Government in respect of the pay and remuneration of senior managers.
 - e) To make recommendations to the Cabinet, and Council if appropriate on strategic pay and remuneration issues relating to staff in posts graded Assistant Director, Director and Chief Executive, plus other salary scales with similar levels of remuneration eg. some Soulbury scales.
 - f) To consider all elements of the Council's senior management remuneration package, including
 - levels of consolidated/fixed salaries;
 - elements of variable non consolidated salary payments;
 - any additional pay or non pay benefits that could be considered as part of the total remuneration package;
 - processes for determining the pay progression of staff;
 - termination payments packages;
 - parameters and process for appointing senior interim or agency staff.

The remit of the Committee will not extend to consideration of the level of remuneration of individual members of staff (within the context of the agreed policy) as these will be covered by individual contracts of employment.

(Updated: Council 11/6/14)