

AUDIT COMMITTEE

This Committee is a Committee of the Council constituted under Sections 101 and 102 of the Local Government Act 1972.

Statement of Purpose

1. Our Audit Committee is a key component of City of Doncaster Council's Corporate Governance. ***The committee's purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. Its role in ensuring there is sufficient assurance over governance, risk and control gives greater confidence to all those charged with governance that those arrangements are effective.***
- ~~1. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.~~
2. ***The committee has oversight of both internal and external audit, together with the financial and governance reports, helping to ensure there are adequate arrangements in place for both internal challenge and public accountability.***
- ~~2. The purpose of our Audit Committee is to provide independent assurance to the Members on the adequacy of the risk management framework and the internal control environment. It provides an independent review of City of Doncaster Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.~~

FOR RECOMMENDATION TO COUNCIL:-

- (a) The adoption or revision of the Members' Code of Conduct.

DELEGATED MATTERS: - (the Committee may recommend any matter to Full Council when it considers it expedient to do so, after taking advice from the Head of Paid Service)

1. ***Governance, risk and control***
 - I. To review and where appropriate make recommendations to Council on proposed revisions to the Council's Constitution and other policies and procedures in relation to Corporate Governance issues.
 - II. To review any issue referred to it by the Chief Executive or a Director or any council body as the Chair considers appropriate within the general Terms of Reference of the Audit Committee. To report and

make recommendations to the Executive or Council on major issues within the remit of the Committee.

- III. To have rights of access to other Committees of the Council and to strategic functions as it deems necessary.
- IV. To receive periodic reports from appropriate Directors on probity and corporate governance issues not specifically referred to elsewhere within the Committee's Terms of Reference.
- V. To review the council's corporate governance arrangements against the good governance framework, including the ethical framework, and consider the local code of governance.
- VI. To monitor the effective development and operation of risk management in the council.
- VII. To monitor progress in addressing risk-related issues reported to the committee.
- VIII. To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- IX. To consider reports on the effectiveness of financial management arrangements, including compliance with CIPFA's Financial Management Code.**
- X. To consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- XI. To review the assessment of fraud risks and potential harm to the council from fraud and corruption.
- XII. To monitor the counter fraud strategy, actions and resources.
- XIII. To maintain oversight of any major issues arising from Police or other enquiries into the conduct of the Council in order to minimise disruption to other branches of the Authority.
- XIV. To consider reports on breaches and waivers to the Council's contract procedure rules on a twice yearly basis
- XV. To **annually review and monitor compliance with** the Council's policy under the Regulation of Investigatory Powers Act 2000. ~~annually and to monitor compliance with the policy on a twice yearly basis~~
- XVI. To review the governance and assurance arrangements for significant partnerships or collaborations.

2. Financial and governance reporting

Governance reporting

- I. To review the AGS prior to approval and consider whether it properly reflects the risk environment and supporting assurances, including the head of internal audit's annual opinion.
- II. To consider whether the annual evaluation for the AGS fairly concludes that governance arrangements are fit for purpose, supporting the achievement of the authority's objectives.

Financial reporting

- I. To monitor the arrangements and preparations for financial reporting to ensure that statutory requirements and professional standards can be met.***
- II. To review 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.
- III. To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

Ethical Governance

- I. To promote and maintain high standards of conduct by Members and Officers.
- II. To hear appeals against decisions of the Monitoring Officer not to grant a dispensation.
- III. To monitor and review the Council's Whistleblower's policy.
- IV. To monitor and review the Council's Anti-Fraud, Bribery and Corruption policy.
- V. To monitor and review the Council's Money Laundering policy.
- VI. To monitor and review protocols for standards of behaviour for Members and Officers.
- VII. To monitor and review protocols for Members and Officers on relationships and dealings with outside organisations and individuals.

- VIII. To monitor and review Member and Officer procedures relating to gifts and hospitality and disclosable pecuniary interests and other interests.
- IX. To monitor and oversee the response by the Council to complaints to the Ombudsman.
- X. To deal with complaints of alleged Member misconduct referred to the Monitoring Officer under Section 28(6) of the Localism Act 2011.
- XI. To arrange for the exercise of all the above functions in relation to Parish Councils wholly or mainly in its area and to the members of those Parish Councils.

3. Arrangements for audit and assurance

To consider the council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.

External audit

- I. To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by PSAA or the authority's auditor panel as appropriate.
- II. To liaise with the Officers of the Council regarding Public Sector Audit Appointments and the appointment of the Council's external auditor.
- III. To consider the external auditor's annual report, relevant reports and the report to those charged with governance.
- IV. To consider specific reports as agreed with the external auditor.
- V. To comment on the scope and depth of external audit work and to ensure it gives value for money.
- VI. To consider additional commissions of work from external audit.
- VII. To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.
- VIII. *To provide free and unfettered access to the audit committee chair for the auditors, including the opportunity for a private meeting with the committee.***

Internal audit

- I. To approve the Internal Audit Charter.
- II. *To review proposals made in relation to the appointment of external providers of internal audit services and to provide comments / views.***
- III. To approve the risk-based internal audit plan, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
- IV. To approve significant interim changes to the risk-based internal audit plan and resource requirements.
- V. To make appropriate enquiries of both management and the Head of Internal Audit to determine if there are any inappropriate scope or resource limitations.
- VI. To consider any impairments to independence or objectivity arising from additional roles and responsibilities outside of internal auditing of the Head of Internal Audit. To approve and periodically review safeguards to limit such impairments.
- VII. To consider reports from the Head of Internal Audit on internal audit's performance during the year, including the performance of external providers of internal audit services where used.
These will include:
 - a) Updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work.
 - b) Regular reports on the results of the Quality Assurance Improvement Programme (QAIP).
 - c) Reports on instances where the internal audit function does not conform to the Public Sector Internal Audit Standards (PSIAS) and Local Government Advisory Note (LGAN), considering whether the non-compliance is significant enough that it must be included in the Annual Governance Statement (AGS).
- VIII. To consider the Head of Internal Audit's annual report:
 - a) The statement on the level of conformance with the PSIAS and LGAN and the results of the QAIP that support the statement – these will indicate the reliability of the conclusions of internal audit.
 - b) The opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and

control together with the summary of the work supporting the opinion – these will assist the Committee in reviewing the AGS.

- VIII To consider summaries of specific internal audit reports as requested.
- IX To receive reports outlining the action taken where the Head of Internal Audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or where there are concerns about progress with the implementation of agreed actions.
- IX To contribute to the QAIP and in particular, the external quality assessment of internal audit that takes place at least once every five years.
- X. *To consider a report on the effectiveness of internal audit to support the AGS where required to do so by the accounts and audit regulations***
- XI To provide free and unfettered access to the Audit Committee Chair for the Head of Internal Audit, including the opportunity for a private meeting with the Committee.

4. Accountability arrangements

- I. To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions.***
- II. To report to full council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.***
- III. To publish an annual report on the work of the committee, including a conclusion on the compliance with the CIPFA Position Statement.***