

The Report of the Audit Committee

The Audit Committee met on 30 November 2017. Present:- County Councillor Cliff Lunn (in the Chair), County Councillors Karl Arthur, Margaret Atkinson, Robert Baker, Jim Clark, David Hugill, Don Mackay and Geoff Webber, and Mr David Portlock (External Member of the Committee).

1. Proposed Changes to the Terms of Reference of the Audit Committee:

The Audit Committee has considered and supports proposed amendments to its terms of reference. The proposed amendments are minor in nature but necessary to better reflect the requirements of the Public Sector Internal Audit Standards and recent changes to the Council's framework for corporate governance. The Committee's current terms of reference are attached as Appendix A and the proposed amendments are shown as tracked changes.

The Audit Committee RECOMMENDS:

That the proposed changes to the terms of reference of the Audit Committee, as set out in Appendix A to the report, be approved.

CLIFF LUNN
Chairman

County Hall
NORTHALLERTON
13 February 2018

AUDIT COMMITTEE

TERMS OF REFERENCE

1. In respect of Internal Audit
 - ◆ to approve the Internal Audit ~~Charter~~Strategy, Annual Audit Plan and performance criteria for the Internal Audit Service.
 - ◆ to review summary findings and the main issues arising from internal audit reports and seek assurance that management action has been taken where necessary.
 - ◆ to review the effectiveness of the anti-fraud and corruption arrangements throughout the County Council.
 - ◆ consider the annual report from the Head of Internal Audit.
 - ◆ to obtain assurance that the work of internal audit conforms to the Public Sector Internal Audit Standards~~review the effectiveness of the system of Internal Audit and the Committee itself on an annual basis.~~

2. To review the workplan and performance of External Audit.

3. To review, and recommend to the Executive, changes to Contract, Finance and Property Procedure Rules.

4. In respect of **financial statements**

For both the County Council and the North Yorkshire Pension Fund

- ◆ to approve the respective annual Statements of Final Accounts
- ◆ to receive and review the Annual Audit Letters and associated documents issued by the External Auditor
- ◆ to review changes in accounting policy.

5. In respect of **Corporate Governance**

- ◆ to assess the effectiveness of the County Council's Corporate Governance arrangements
- ◆ to review progress on the implementation of Corporate Governance arrangements throughout the County Council
- ◆ to approve Annual Governance Statements for both the County Council and the North Yorkshire Pension Fund
- ◆ to review the annual Statements of Assurance provided by the Chief Executive, Management Board and Corporate Directors
- ◆ to liaise, as necessary, with the Standards Committee on any matter(s) relating to the Codes of Conduct or both Members and Officers

- ♦ [to review the arrangements in place for ensuring good governance in the County Council's key partnerships and owned companies-](#)

6. In respect of **Risk Management**

- ♦ to assess the effectiveness of the County Council's Risk Management arrangements
- ♦ to review progress on the implementation of Risk Management throughout the County Council.

7. In respect of **Information Governance**

- ♦ to review all corporate policies and procedures in relation to Information Governance
- ♦ to oversee the implementation of Information Governance policies and procedures throughout the County Council.

8. In respect of **Treasury Management**

- ♦ to be responsible for ensuring effective scrutiny of the County Council's Treasury Management strategy and policies as required by the CIPFA Treasury Management Code of Practice
- ♦ to review these Treasury Management strategies, policies and arrangements and make appropriate recommendations to the Executive.

9. In respect of **Value for Money**

- ♦ to have oversight of the arrangements across the County Council in securing Value for Money

10. ~~[To consider any other relevant matter referred to it by the County Council, Executive or any other Committee. In addition any matter of concern can be raised by this Committee to the full County Council, Executive or any other Member body. To meet not less than four times a year on normal business and review its Terms of Reference on an annual basis.](#)~~

11. To exercise all functions in relation to the making and changing of policy relating to such audit and counter-fraud matters which fall within the remit of the Committee (save as may be delegated otherwise).~~To consider any other relevant matter referred to it by the County Council, Executive or any other Committee. In addition any matter of concern can be raised by this Committee to the full County Council, Executive or any other Member body.~~

[12. To periodically review the effectiveness of the Audit Committee itself.](#)

42.13. To meet not less than four times a year on normal business and review its Terms of Reference on an annual basis.