

**ITEM: 7**

**REPORT TO: WEST OF ENGLAND COMBINED AUTHORITY AUDIT COMMITTEE**

**DATE: 28 SEPTEMBER 2017**

**REPORT TITLE: AUDIT COMMITTEE – TERMS OF REFERENCE**

**AUTHOR: TIM RICHENS**

**Purpose of Report**

1. To present the proposed Terms of Reference for the Audit Committee for approval.

**Issues for Consideration**

2. To consider the areas proposed in light of the role of the Audit Committee and its areas of delegation.

**Report Narrative / Main Content**

- 3.1 The Terms of Reference of the Audit Committee are proposed as set out at Appendix 1. These take account of the roles of Audit Committee both in the wider public sector and those of a normal Local Authority.
- 3.2 The functions of the Audit Committee as set out in the WECA constitution should consider the following –
  - a) reviewing and scrutinising the authority's financial affairs; - Focus the Council's Accounts and work of External Audit and Internal Audit
  - b) reviewing and assessing the authority's risk management, internal control and corporate governance arrangements; - Focus the Annual Governance Review and work of Internal Audit and External Audit
  - c) reviewing and assessing the economy, efficiency and effectiveness with which resources have been used in discharging the authority's functions; - Focus the work of External Audit and Internal Audit
  - d) making reports and recommendations to the combined authority in relation to the reviews they have conducted.

3.3 The Committee is asked to review and approve the attached Terms of Reference in order to be able to carry out its role on behalf of WECA.

3.4 Annually the Committee will review its Terms of Reference when compiling its Annual Report

**Consultation:**

4. Report content consulted with the Director of Corporate Services and Monitoring Officer.

**Public Sector Equality Duties:**

5. No direct implications.

**Economic Impact Assessment:**

6. No direct implications.

**Finance Implications:**

7. No direct implications.

**Legal Implications:**

8 No direct implications

**Land/Property Implications;**

9 No direct implications.

**Human Resources Implications:**

10 No direct implications

**Recommendation:**

11 To approve the Terms of Reference set out at Appendix 1.

**Report Author:**

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**Background Papers**

None.

## **Item 7 - Appendix 1 - WECA Audit Committee Draft Terms of Reference**

The Audit Committee has the following responsibilities:

1. To approve on behalf of WECA its Annual Accounts, as prepared in accordance with the statutory requirements and guidance;
2. To approve the External Auditors' Audit Plan and to monitor its delivery and effectiveness during the year;
3. To approve the Internal Audit Plan and to monitor its delivery and effectiveness during the year;
4. To consider, prior to signature by the Mayor and Chief Executive, the Annual Governance Statement in accordance with statutory requirements and guidance;
5. To review periodically WECA's Treasury Management performance and overall risk management framework and make recommendations where appropriate;
6. To review periodically WECA's key financial governance procedures, i.e. Financial Regulations, Contract Standing Orders, Anti-Fraud & Corruption Policy and to recommend any necessary amendments;
7. To consider the annual Audit Letter from the External Auditor and to monitor progress on accepted recommendations;
8. To monitor and promote good corporate governance within WECA and in its dealings with partner bodies and contractors, including review of WECA's Code of Corporate Governance and in any such other ways as the Committee may consider expedient (within the budget agreed by WECA);
9. To consider and make recommendations of any other matters relating to corporate governance which are properly referred to the Committee or which come to its attention;
10. To make an annual report to WECA on the work [and findings] of the Committee, including (if necessary) any measures necessary to improve the effectiveness of the Committee.