

**Planning document linking constitution to delivery in meetings.****Audit Committee**

2.2.1 It is advised that Members undertake relevant training within the past three years in order to hold a seat on this committee.

**2.2.2 Terms of Reference**

2.2.2.1 To consider the annual report and opinion of the Corporate Director Resources 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.

2.2.2.2 To consider summaries of specific internal audit reports as requested.

2.2.2.3 To consider reports dealing with the management and performance of the providers of internal audit services.

2.2.2.4 To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.

2.2.2.5 To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.

2.2.2.6 To consider specific reports as agreed with the external auditor.

2.2.2.7 To comment on the scope and depth of external audit work and to ensure it gives value for money.

2.2.2.8 To liaise with the Public Sector Audit Appointments Ltd (PSAA) over the appointment of the council's external auditor.

2.2.2.9 To commission work from internal and external audit.

2.2.2.10 To have oversight of the Regulation of Investigatory Powers policy and processes.

2.2.2.11 Authority to approve any changes regarding the Council's Whistle-Blowing policy and arrangements.

2.2.2.12 To consider reports in relation to the performance of the Council's companies, alongside comments from the Shareholder Cabinet Committee.

2.2.2.13 To produce an annual report for consideration by Full Council.

## **Regulatory Framework**

- 2.2.2.14 To review any issue referred to it by the Chief Executive or a Director, or any Council body.
- 2.2.2.15 To monitor the effective development and operation of risk management and corporate governance in the council.
- 2.2.2.16 To monitor Council policies on "raising concerns at work" and the anti-fraud and anti-corruption strategy and the Council's complaints process.
- 2.2.2.17 To oversee the production of the authority's Statement on Internal Control and to recommend its adoption.
- 2.2.2.18 To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.

## **Accounts**

- 2.2.1.19 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.
- 2.2.1.20 To consider the external auditors report to those charged with governance on issues arising from the audit of the accounts.

## **Independent Members of Audit Committee**

- 2.2.1.21 The Audit Committee will include up to 3 independent co-opted non-voting members sitting alongside 7 elected members. Independent members will be appointed by the Council to serve an initial 4 year term, which may be extended with the agreement of Council.
- 2.2.1.22 The Committee will be chaired by an Independent Member. In the absence of the appointed chair one of the remaining two Independent Members will be appointed as Chair by the Committee.
- 2.2.1.23 The Vice-Chair will be an elected member whose purpose will be to support the Chair and in the event of an equality of votes, to exercise a second or casting vote.

- 2.2.1.24 The role of an Independent Member is to support the Council's Audit Committee in its role to provide independent assurance to the members of Peterborough City Council, and its wider citizens and stakeholders.
- 2.2.1.25 Independent members will be expected to actively participate in meetings of the Audit Committee and demonstrate independence, integrity, objectivity and impartiality in their decision-making. They will support reporting as required to Full Council, including the Annual Audit Committee report.
- 2.2.1.26 Independent members will contribute to the work of the Audit Committee in its role in reviewing the Council's financial affairs, including making reports and recommendations, overseeing internal and external audit arrangements, reviewing and scrutinising financial statements, seeking assurances of compliance with the Treasury Management Strategy and practices and reviewing and assessing the governance, risk management and control of the authority.

| Terms of reference  | Meeting   | Report title  | Assurance activity   |
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| 2.2.2.1 To consider the annual report and opinion of the Corporate Director Resources 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. | Mar 2022  | Internal Audit: Draft Internal Audit Plan 2022 / 2023 | Provide Audit Committee with detailed planned audit coverage for the year.   |
|   | July 2022 | Internal Audit: Annual Audit Opinion                  | Audit Plan 2021/22 outturn. Provide Audit Committee with all works completed together with an opinion of the level of control / governance in place. Details of resources utilised. Areas of concern and non-compliance will be highlighted. |
|   |           | (Draft) Annual Governance Statement                   | Details of the governance arrangements in place at PCC. Reporting of the assurance framework to establish the AGS. Reporting of areas where improvements are required  |

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|  | <b>Nov 2022</b>  | Internal Audit: Mid-Year Progress Report              | Audit Plan 2022/23. To provide progress against the agreed plan. Details of any changes made to audit risks and resources and how this is impacting on works.  |
|  | <b>Mar 2023</b>  | Internal Audit: Draft Internal Audit Plan 2023 / 2024 | Provide Audit Committee with detailed planned audit coverage for the year.   |
| 2.2.2.2 To consider summaries of specific internal audit reports as requested  | <b>July 2022</b> | Internal Audit: Annual Audit Opinion                  | Audit Plan 2021/22 outturn. Provide Audit Committee with all works completed together with an opinion of the level of control / governance in place. Details of resources utilised. Areas of concern and non-compliance will be highlighted. |
|  | <b>Nov 2022</b>  | Internal Audit: Mid-Year Progress Report              | Audit Plan 2022/23. To provide progress against the agreed plan. Details of any changes made to audit risks and resources and how this is impacting on works.  |
| 2.2.2.3 To consider reports dealing with the management and performance of the providers of internal audit services. | <b>Mar 2022</b>  | Internal Audit: Draft Internal Audit Plan 2022 / 2023 | Provide Audit Committee with detailed planned audit coverage for the year.   |
|  | <b>Mar 2023</b>  | Internal Audit: Draft Internal Audit Plan 2023 / 2024 | Provide Audit Committee with detailed planned audit coverage for the year.   |

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| 2.2.2.4 | To consider a report from audit on agreed recommendations not implemented within a reasonable timescale                | <b>July 2022</b>                             | Internal Audit: Annual Audit Opinion             | Areas of non-compliance with timescales to implement change   |
|         |  | <b>Nov 2022</b>                              | Internal Audit: Mid-Year Progress Report         | Areas of non-compliance with timescales to implement change   |
| 2.2.2.5 | To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.   | <b>Sept 2022</b>                             | External Audit plan for year ended 31 March 2022 | External auditor presents reports                             |
| 2.2.2.6 | To consider specific reports as agreed with the external auditor.  | <b>As required</b>                           |  |   |
| 2.2.2.7 | To comment on the scope and depth of external audit work and to ensure it gives value for money.                       | <b>Mar 2023</b>                              | External Audit plan for year ended 31 March 2022 | To review the External Audit plan and to make initial comment |
|         |  | <b>Nov 2022</b>                              | FRC Report                                       | To review the FRC's report on external auditing               |
| 2.2.2.8 | To liaise with the Public Sector Audit Appointments Ltd (PSAA) over the appointment of the council's external auditor. | <b>As required – last done November 2021</b> |  |   |

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| 2.2.2.9  | To commission work from internal and external audit   | <b>Jan 2023</b>    | Internal Audit: Approach to Audit Planning          | To set out future audit work based on the current issues impacting on PCC |
| 2.2.2.10 | To have oversight of the Regulation of Investigatory Powers policy and processes.   | <b>Nov 2022</b>    | Update on RIPA for Audit Committee members          | To update the committee on the Councils RIPA policy.                      |
|          |   | <b>Mar 2023</b>    | RIPA Policy – changes to policy                     | To inform Audit Committee members on changes to the RIPA policy           |
| 2.2.2.11 | Authority to approve any changes regarding the Council's Whistle-Blowing policy and arrangements.   | <b>As required</b> |   |   |
| 2.2.2.12 | To consider reports in relation to the performance of the Council's companies, alongside comments from the Shareholder Cabinet Committee. | <b>July 2022</b>   | Decisions made by the Shareholder Cabinet Committee | Committee to note the decisions made by the Shareholder Cabinet Committee |
|          |   | <b>Nov 2022</b>    | Decisions made by the Shareholder Cabinet Committee | Committee to note the decisions made by the Shareholder Cabinet Committee |
| 2.2.2.13 | To produce an annual report for consideration by Full Council.  | <b>Mar 2022</b>    | Annual Audit Committee report                       | Draft report that currently gets presented to Full Council in July.       |
|          |   | <b>Mar 2023</b>    | Annual Audit Committee report                       | Draft report that currently gets presented to Full Council in July.       |
| 2.2.2.14 | To review any issue referred to it by the Chief Executive or a Director,  | <b>Oct 2022</b>    | Council Reserves Policy                             | To review the Councils Reserve Policy                                     |
|          |   | <b>Oct 2022</b>    | Independent Improvement                             | To review the first Independent   |

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| or any Council body.   |                  | Panel Report   | Improvement Panel report presented to Cabinet.  |
|  | <b>Oct 2022</b>  | Budget Setting Process                               | To review the Councils Budget Setting process   |
|  | <b>Jan 2023</b>  | Council Reserves Policy                              | To review updates on the Councils Reserve Policy  |
|  | <b>Jan 2023</b>  | 2 <sup>nd</sup> Independent Improvement Panel Report | To review the second Independent Improvement Panel report presented to Cabinet.   |
| 2.2.2.15 To monitor the effective development and operation of risk management and corporate governance in the council.                                  | <b>Mar 2022</b>  | Risk Management Strategic Risks                      | Overview of current strategic risks.  |
|  | <b>July 2022</b> | Insurance: Annual Report 2021 / 2022                 | Sets out how insurance service has operated to ensure effective management and control of its assets, and provide cover to manage risks |
| 2.2.2.16 To monitor Council policies on "raising concerns at work" and the anti-fraud and anti-corruption strategy and the Council's complaints process. | <b>July 2022</b> | Investigations Team Annual Report 2021 / 2022        | Annual report into Investigations Team works.   |
|  | <b>Nov 2022</b>  | Council Complaints Procedure                         | To review and comment on the Councils complaints policies and processes   |
|  | <b>Jan 2023</b>  | Anti-Fraud and Corruption report                     | To review policy changes to the Anti-Fraud and Corruption Policy  |
| 2.2.2.17 To oversee the production of the authority's Statement on   | <b>July 2022</b> | (Draft) Annual Governance Statement                  | Details of the governance arrangements in place at PCC. Reporting of the assurance framework to establish the                           |

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| Internal Control and to recommend its adoption.  |   |   | AGS. Reporting of areas where improvements are required   |
| 2.2.2.18 To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice. | <b>Mar 2022</b>                                 | Internal Audit: Draft Internal Audit Plan 2022 / 2023 | Provide Audit Committee with detailed planned audit coverage for the year.  |
|  | <b>July 2022</b>                                | Review of Effectiveness of Audit Committee            | Overview of the operation of the Committee against the CIPFA standards.   |
|  |   | Annual Governance Statement                           | Details of the governance arrangements in place at PCC. Reporting of the assurance framework to establish the AGS. Reporting of areas where improvements are required |
|  |   | National Fraud Initiative                             | Report to set out how the Council will look to tackle fraud and error as part of mandatory exercises from central government  |
| Risk Management Framework  | Committee to receive an update on the framework |   |   |



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|   | <b>Nov 2022</b>  | Treasury Management Progress Report (including risks)  | Prior to submission at Full Council committee to review the prudential indicators |
|   | <b>Oct 2022</b>  | Review of Procurement, reporting of single tender contracts                                  | First report for committee to review procurement as a service                     |
|   | <b>Jan 2023</b>  | To review any updates on procurement issues identified where teams had not followed process. | Further report for committee to review progress made on procurement and contracts |
|   | <b>Mar 2023</b>  | Internal Audit: Draft Internal Audit Plan 2023 / 2024  | Provide Audit Committee with detailed planned audit coverage for the year.        |
|   |                  | Procurement Activity – March update  |   |
| 2.2.1.19 To review the annual statement of accounts, specifically, to consider whether appropriate accounting policies have been followed and | <b>June 2022</b> | Budget Monitoring Outturn 2021 / 2022  |   |

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| whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council. | <b>Mar 2023</b> | Audit Results report for year ended 31 March 2022        |  |
|   | <b>Aug 2022</b> | Audit of Statement of Accounts year ended 2020/21        |  |
| 2.2.1.20 To consider the external auditors report to those charged with governance on issues arising from the audit of the accounts.        | <b>Mar 2022</b> | Statement of Accounts for the year ended 31 March 2022.  |  |
|   | <b>Aug 2022</b> | Audit of Statement of Accounts year ended 2020/21 update |  |
|   | <b>Mar 2023</b> | Statement of Accounts final for 2020/21                  |  |

#### Independent Audit Committee Members feedback

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| 2.2.1.25 Independent members will be expected to actively participate in meetings of the Audit Committee and demonstrate |  |
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| <p>independence, integrity, objectivity and impartiality in their decision-making. They will support reporting as required to Full Council, including the Annual Audit Committee report.</p>  |  |
| <p>2.2.1.26 Independent members will contribute to the work of the Audit Committee in its role in reviewing the Council's financial affairs, including making reports and recommendations, overseeing internal and external audit arrangements, reviewing and scrutinising financial statements, seeking assurances of compliance with the Treasury Management Strategy and practices and reviewing and assessing the governance, risk management and control of the authority.</p> |  |

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