

WEST NORTHAMPTONSHIRE DEVELOPMENT CORPORATION (WNDC) AUDIT
COMMITTEE

AUDIT COMMITTEE – TERMS OF REFERENCE

Introduction

The terms of reference, as set out below, were agreed by the WNDC at the June Board meeting and have been amended in line with HM Treasury guidelines.

Recommendation

In the context of the terms as agreed by the Board, the committee is asked to discuss those areas it wishes to focus its work and its specific requirements for future meetings.

AUDIT COMMITTEE – TERMS OF REFERENCE

Role

1. The Audit Committee is an advisory committee with no executive authority. The Committee advises the Accounting Officer and the WNDC Board on the adequacy of the Corporation's risk management and internal control arrangements. The Committee carries out its work by testing and challenging the assurances which are available to the Accounting Officer, the way in which these assurances are developed and the management priorities and approaches on which the assurances are premised. The Committee is not a substitute for the executive function in the management of: risk management, corporate governance, stewardship reporting, audit or any other review or assurance function, although the Committee may offer opinions or recommendations on the way in which such management is conducted.

2. The Committee is authorised by the Board to investigate any activity within these terms of reference and to seek any information it requires from staff, who are requested to co-operate with the Committee in the conduct of its enquiries. Requests for work and reports received from internal audit will be channelled through the Accounting Officer to whom the internal audit function will report.

3. The Audit Committee is authorised to obtain independent professional advice if it considers it necessary.

4. The specific duties of the Audit Committee in advising on the adequacy of risk management and internal control shall be through reviewing (inter alia):

- a) the mechanisms for the assessment and management of risk
- b) the scope and focus of the internal audit plans and activity
- c) the findings reported in the Internal Audit reports and the adequacy of management response to the issues identified, including arrangements for implementation of audit recommendations
- d) the nature and scope of the annual external audit programme

- e) the relevant reports issued by the National Audit Office, including reports on the Corporation's accounts, achievement of value for money and the response to any management letters
- f) assurances related to the corporate governance requirements of the organisation
- g) the adequacy of the Corporation's internal audit service with regard to the Internal Audit Standards specified by HM Treasury

5. The Committee will report their findings to the Accounting Officer and the Board. The Committee minutes will form the main source of the formal written report.

Membership

6. The Committee shall have not fewer than three appointed members. The Chairman and Deputy Chairman of the Corporation shall be ex officio members of the Committee. The quorum of the Committee shall be two members or one third of the appointed number of members, fractions counted as whole, whichever is the greater.

Chair

8. The Chair of the Committee shall be a member of the Board other than the Chairman of the WNDC.

Attendance at Committee meetings

10. The Audit Committee will normally be attended by the Accounting Officer, the Finance Manager, a representative of ODPM Internal Audit and a representative of External Audit (NAO). Other WNDC and/or external representatives may also be invited to attend to advise on any matter.

Frequency of Meetings

11. The Committee will normally meet three times each year to consider the internal and external annual reports and accounts including the Annual Statement of Audit

Control, the internal and external annual and mid year progress position on emerging audit findings and residual action from previous years' audit reports.

12. At least once a year the Committee shall have a discussion with the external auditors without the other attendees of the Committee to ensure that there are no unresolved issues of concern.

Access

13. The representatives of both internal and external audit will have free and confidential access to the Chair of the Audit Committee.