

Appendix 3

Core Areas of Knowledge

Knowledge Area	Detail
Organisational	The governance structures of Midlothian Council and decision making processes. Knowledge of the organisational objectives and major functions of the Council.
Audit Committee Role and Function	The Audit Committee's role and function within the governance structures. Knowledge of the Audit Committee's terms of reference (standing orders) and accountability arrangements. Knowledge of the purpose and role of the Audit Committee.
Governance	<p>Knowledge of the six principles of the SOLACE / CIPFA Good Governance Framework (engaging with local people and other stakeholders to ensure robust public accountability; developing the capacity and capability of members and officers to be effective; taking informed and transparent decisions which are subject to effective scrutiny and managing risk; promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour; member and officers working together to achieve a common purpose with clearly defined functions and roles; and focussing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area).</p> <p>Knowledge of the local code of governance.</p>
Internal Audit	Knowledge of the Public Sector Internal Audit Standards and the Local Government Application Note. Knowledge of the arrangements for the Internal Audit Service and how the role of the head of audit is fulfilled.
Financial management and accounting	Awareness of the financial statements that Midlothian Council must produce and the principles it must follow to produce them. Understanding of good financial management principles. Knowledge of how the Council meets the requirement of the role of chief financial officer, as required by CIPFA statement on the role of the chief financial officer in local government.
External Audit	Knowledge of the role and functions of external audit and who is undertaking this role. Knowledge of the key reports and assurance external audit will provide.
Risk Management	Understand the principles of risk management, including linkages to good governance and decision making. Knowledge of the risk management policy and strategy of the organisation. Understanding of risk governance arrangements, including the role of members of the audit committee.

Counter-fraud	An understanding of the main areas of fraud risk the organisation is exposed to. Knowledge of the principles of good fraud management practice. Knowledge of the organisation's arrangements for tackling fraud.
Values of good governance	Knowledge of the seven principles of public life (Integrity, selflessness, objectivity, accountability, openness, honesty and leadership). Knowledge of the Council's key arrangements to uphold ethical standards for both members and staff. Knowledge of whistle blowing arrangements in the authority.
Treasury management	Effective scrutiny of treasury management (regulatory requirements, treasury risks, treasury management strategy, treasury policies and procedures).