

Audit Committee - Terms of Reference and Appointment of Chair

Report by John Blair, Director, Corporate Resources

1 Purpose of Report

This report brings to the Committee's attention its Membership and Terms of Reference as approved by the Council on 29 June 2010.

2 Membership

On 22 May 2012, the Council agreed that membership of the Committee be Councillors Beattie; Baxter; Bryant; de Vink; Milligan; and Muirhead. The independent member of the Committee is Mr. R Rae, who was appointed by the Council on 21 December 2010 and whose appointment subsists until 1 February 2014. The Council further agreed that an independent Chair of the Committee be appointed.

3 Independent Chair

Steps are being taken to recruit a suitable individual to chair meetings of the Committee but in the interim it will be necessary for the Committee to appoint a Chair, *pro tem*. The Chair of the Committee may not be a member of the Cabinet.

4 Terms of Reference

The Audit Committee is responsible for the following:-

- (1) Approve and monitor the three year Strategic and Annual Internal Audit Plans.
- (2) Monitor the adequacy, status, independence and performance of the Internal Audit function.
- (3) Review an annual report from the Risk and Audit Manager on compliance with Codes of Internal Auditing Practice.
- (4) Review all Internal Audit reports submitted by the Risk and Audit Manager and consider these reports in relation to the impact on the Council's Internal Control system and the level of residual risk.
- (5) Resulting from the completion of the Annual Internal Audit Plan, receive an annual report from the Risk and Audit Manager on the state of the Internal Control system and make recommendations to Cabinet to resolve any major failings.
- (6) Review the External Audit Strategies and Plans and reports on findings in relation to governance, internal control and the financial management of the Council.

- (7) Review the annual Audited and Published Accounts.
- (8) Monitor the effectiveness of the Council's arrangements for Risk Management.

Meetings - The Committee will normally meet six times per annum.

Quorum – The quorum for meetings of the Committee will be 3 Councillors.

Minutes - The Minutes of the Committee will be submitted to the next ordinary meeting of the Committee for approval. They will also be submitted to the Council both for information and to allow the Council to consider any recommendations contained in them.

4 Recommendation

The Committee is invited to:-

- (a) note this report; and
- (b) consider the appointment of an interim Chair.

Date 1 June 2012

Report Contact: John Ward

Name Tel No 0131 271 3158; E-mail john.ward@midlothian.gov.uk