**APPENDIX A - TERMS OF REFERENCE FOR THE GOVERNANCE AND AUDIT COMMITTEE**

(a) to review and scrutinise the authority's financial affairs,
(b) to make reports and recommendations in relation to the authority's financial affairs,
(c) to review and assess the risk management, internal control, *performance assessment* and corporate governance arrangements of the authority,
(d to make reports and recommendations to the authority on the adequacy and effectiveness of those arrangements,
(e) to oversee the authority's internal and external audit arrangements, and
(f) to review the financial statements prepared by the authority.
(g) to undertake any other functions as the authority considers suitable to be exercised by the Governance and Audit Committee

Core functions

In order to meet the terms of reference above the Governance and Audit Committee will undertake the following core functions:

- Approve internal audit’s strategy, plan and performance.

- Review summary internal audit reports and the main issues arising, and seek assurance that action has been taken where necessary.

- Consider the reports of external audit and inspection agencies.

- Consider the effectiveness of the authority’s risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements. Seek assurances that action is being taken on risk related issues identified by auditors and inspectors.

- Be satisfied that the authority’s assurance statements, including the Statement on Internal Control and Governance Statement, properly reflect the risk environment and any actions required to improve it.

- Ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted.

- Review the financial statements, external auditor’s opinion and reports to members, recommend the adoption of the financial statements by full Council and monitor management action in response to the issues raised by external audit.

- Maintain an overview of the Council’s constitution in respect of contract procedure rules and financial regulations

- Make recommendations, as appropriate, to Cabinet and Council on any matters reported through the Governance and Audit Committee.