

# West London Waste

*Treating waste as a valuable resource*

## **Audit Committee – Terms of Reference**

Minor amendments approved by the Clerk in January 2022.

**These Terms of Reference were Agreed at the Authority Meeting on 26<sup>th</sup> April 2013.**

**Minor amendments to clarify the position of the non voting member approved by the Clerk in June 2016 and reported to the Authority on 1 July 2016.**

***The Authority has established an Audit Committee as a Committee of the Authority to support them in their responsibilities for issues of risk control and governance by reviewing the comprehensiveness of assurances in meeting the Authority and Treasurer's assurance needs and reviewing the reliability and integrity of their assurances***

## **Membership**

The members of the Audit committee are

- Three Authority members, one of whom will be appointed as Chair and a second the Vice-Chair by the Authority.
- One independent non voting external member who will be co-opted by the Committee for a period of three-four years and will be eligible to serve for a maximum of eight years.
- The Audit Committee will be provided with a secretariat function by the Finance Director.

## **Reporting**

- The Audit Committee will formally report in writing to the Authority and Treasurer after each meeting.
- The Audit Committee will provide the Authority and Treasurer with an Annual Report, timed to support finalisation of the accounts and the Statement on internal control, summarising its conclusions from the work it has done during the year.

## **Responsibilities**

The Audit Committee will advise the Authority and Treasurer on

- The strategic process for risk, control and governance and the Statement on Internal Control
- The accounting policies and the accounts of the organisation, including the process for review of the accounts prior to submission for audit, levels of error identified, and managements letter of representation to the external audits;

- The planned activity and results of both internal and external audit;
- Adequacy of management response to issues identified by audit activity, including external audit's management letter;
- Assurances relating to the corporate governance requirements for the organisation
- Proposals for tendering for either internal or external audit services or for purchase of non-audit services from contractors who provide audit services
- Anti-fraud policies, whistle blowing processes and arrangements for special investigations
- The Audit committee will also periodically review its own effectiveness and report the results of that review to the Authority.

## **Rights**

The Audit Committee may:

- Co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge and experience
- Procure specialist ad-hoc advice at the expense of the organisation, subject to budgets agreed by the Authority

## **Access**

The Head of Internal Audit and the representative of External Audit will have free and confidential access to the Chair of the Audit Committee.

## **Meetings**

- The Audit committee will meet at least two times a year. The Chair of the Audit committee may convene additional meetings, as they deem necessary;
- A minimum of 3 members of the Audit Committee will be present for the meeting to be deemed quorate.
- Audit committee meetings will normally be attended by the Managing Director, Treasurer, Finance Director, Head of Internal Audit and a representative of External Audit.
- The Audit Committee may ask any other officials of the Authority to attend to assist it with its discussions on any particular matter.
- The Audit committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.
- The Managing Director or the Treasurer may ask the Audit Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.

## **Information Requirements**

Each meeting the Audit Committee will be provided with:

- A report summarising any significant changes to the organisation's Risk Register
- A progress report from the Head of Internal Audit summarising:
  - Work performed (and a comparison with work planned)
  - Key issues emerging from internal audit work
  - Management response to audit recommendations;
  - Changes to periodic plan
  - Any resourcing issues affecting the delivery of Internal Audit Objectives
- A progress report from the External Audit representative summarising work done and emerging findings.

**As and when appropriate the Committee will also be provided with:**

- Proposals for the Terms of Reference of internal Audit
- The Internal Audit Strategy
- The Head of Internal Audit's Annual Opinion and Report
- Quality Assurance reports on the Internal Audit function;
- The draft accounts of the organisation;
- The draft statement of Internal control;
- A report on any changes to accounting policies;
- External Audit's management letter
- A report on any proposals to tender for audit functions;
- A report on co-operation between Internal and External Audit

## Audit Committee Indicative Work Plan

	<b>September</b>	<b>January</b>
Draft Accounts	X	
Annual Governance Statement	X	
Annual Internal Audit Assurance Statement	X	
External Audit Management Letter	X	
Risk Register	X	X
Review of Risk Processes		X
Internal Audit Plan (Annual)	X	
External Audit Plan		X
Internal Audit Reports	X	X
Review of Accounting Policies		X
Review of Internal Audit Provision and Strategy moving forward	Every 3 years	
Review of governance policies	On any notable or non-minor change	
Review of Audit Committee's effectiveness and preparation of report for the Authority	As needed	