

Appendix 4

Draft Terms of Reference for the EAS Audit Committee

The functions of the Audit Committee are to;

- Review and scrutinise the EAS affairs
- Make reports and recommendations in relation to the EAS financial affairs
- Review and assess the risk management, internal control and corporate governance arrangements of the EAS
- Make reports and recommendations to the authority on the adequacy and effectiveness of those arrangements
- Oversee the EAS internal and external audit arrangements and
- Review the financial statements prepared by the EAS

Terms of Reference

To exercise the following functions and take the following resolved decisions, under delegated powers to:-

- Appoint the Chair of the Audit Committee
- Receive and approve the EAS Annual Statement of Accounts in accordance with the Accounts and Audit Regulations
- Receive and approve the Annual Internal Audit Report
- Receive and approve the Annual Internal Audit Plan
- Review and approve the annual programme for internal audits, the audit priorities and effectiveness of the programme in providing adequate assurance in respect of the EAS's main business risks
- Review and monitor the effectiveness of the EAS system of internal control and the proper administration of its financial affairs, including corporate governance and risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements
- Engage with external auditors and inspection agencies and other relevant bodies to ensure that there are effective relationships between external and internal audit.

To exercise the following functions and make recommendations, where appropriate to:

- Monitor and oversee the implementation and outcomes of the internal audit programme and, where necessary, review and make recommendations regarding unsatisfactory audit reports
- Review the adequacy of the EAS internal audit resources and to make recommendations, where necessary
- Seek assurances on the adequacy of EAS Board or management responses to internal audit advice, findings and recommendations and monitor implementation and compliance with agreed action plans
- To consider the Annual Audit and Inspection Letter, make any recommendations to the Board and to monitor the Boards response to individual risks or areas of concern identified in the Letter
- Consider the Annual Report on Treasury Management and Prudential Indicators and make recommendations to Board
- Receive and consider inspection reports from external regulators and inspectors and to make recommendations and, where necessary, monitor implementation and compliance with agreed action plans
- Monitor and review decisions to waive Contracts Standing Orders and urgent executive decisions taken without consultation and to make recommendations where appropriate.
- Make recommendations to the Managing Director and the Chair of the EAS Board in relation to the Financial Procedures and Regulations set out in the Council's Constitution
- Recommend to EAS Board the appointment of further lay Board or Audit Committee members, where appropriate.