

Appendix 2

Constitution

Audit and Governance Committee

19.4 Terms of Reference

The core functions of the Authority's Audit and Governance Committee are to:

- a) approve Accounts; **(Face to Face Meeting)**
- b) recommend Approval of the annual statement of accounts for Transport for the North; **(Face to Face Meeting)**
- c) governance, risk and control; **(Consultation Call – Virtual)**
- d) review corporate governance arrangements against the Code of Corporate Governance and the good governance framework; **(Consultation Call – Virtual)**
- e) review the Annual Governance Statement (AGS) prior to approval to ensure it properly reflects the risk environment and supporting assurances; **(Consultation Call – Virtual)**
- f) monitor the effectiveness of arrangements to secure value for money; **(Consultation Call – Virtual)**
- g) be satisfied that the assurance framework adequately addresses risks and priorities including governance arrangements in significant partnerships; **(Consultation Call – Virtual)**
- h) Monitor Transport for the North's risk and performance management arrangements including review of the risk register, progress with mitigating action and the assurance map; **(Consultation Call – Virtual)**
- i) Consider reports on the effectiveness of internal controls; **(Consultation Call – Virtual)**
- j) Monitor the anti-fraud strategy, risk-assessment and any actions. **(Consultation Call – Virtual)**

19.5 Internal audit

- a) Recommend Approval of the Internal Audit Charter. **(Face to Face Meeting)**
- b) Oversee and support Internal Audit's effectiveness including strategy, planning and process and ensure conformance with Public Sector Internal Audit Standards (PSIAS). **(Consultation Call – Virtual)**
- c) Approve the risk-based internal audit plan including resources, the reliability of other sources of assurance and any significant in-year changes. **(Face to Face Meeting)**
- d) Make enquiries of the Finance Director and other managers to determine any inappropriate scope or resource limitations. **(Consultation Call – Virtual)**
- e) Consider reports and assurances from the Finance Director in relation to: **(Consultation Call – Virtual)**
 - (i) internal Audit performance including key findings and actions from audit assignments, significant non-conformance with PSIAS and the Quality Assurance and Improvement Programme;
 - (ii) annual Assurance Opinion on the adequacy and effectiveness of the framework of governance, risk management and control;

- (iii) risk management and assurance mapping arrangements;
 - (iv) progress to implement recommendations including concerns or where Officers have accepted risks that the Authority may find unacceptable;
 - (v) provide assurances over the effectiveness of internal audit functions assuring the internal control environments of Transport for the North.
- f) Contribute to the Quality Assurance and Improvement Programme, including the external quality assessment of internal audit. **(Consultation Call – Virtual)**
 - g) Consider and comment on the Finance Director’s Annual Review of the Effectiveness of the System of Internal Audit. **(Consultation Call – Virtual)**
 - h) Develop effective communication with the Finance Director and senior audit staff. **(Consultation Call – Virtual)**

19.6 External audit

- a) Consider reports including the Annual Audit Letter, assess the implications and monitor managers’ response to concerns. **(Consultation Call – Virtual)**
- b) Comment on the nature and scope of work to ensure it gives value for money. **(Consultation Call – Virtual)**
- c) Advise on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies. **(Consultation Call – Virtual)**

19.7 Financial reporting

- a) Consider whether accounting policies were appropriately followed and any need to report concerns to the Authority. **(Face to Face Meeting)**
- b) Consider any issues arising from external audit’s audit of the accounts. **(Face to Face Meeting)**
- c) Ensure there is effective scrutiny of the treasury management strategy and policies in accordance with CIPFA’s Code of Practice. **(Face to Face Meeting)**
- d) Make recommendations to the Finance Director and Monitoring Officer in respect of Part 6 of the Constitution (Financial Regulations). **Consultation Call – Virtual)**