

Audit Committee: Terms of Reference

The LGA's Audit Committee has overall responsibility for monitoring the integrity of the financial statements of the LGA and its associated organisations, and for overseeing their internal control and risk management systems.

The LGA's audit arrangements will report to the LGA Executive on the LGA and its associated organisations, and to the individual boards of companies associated with the LGA on specific issues.

The responsibilities of the Committee are to:

1. Review the financial statements prepared for the LGA and its associated organisations; specifically to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the LGA Executive or company board.
2. Monitor the processes relating to the management of the LGA's and each company's overall risks, internal controls and corporate governance arrangements and consider the level of assurance that can be taken from those processes.
3. Oversee the appointments of the external and internal auditors, checking their independence annually before any engagements, commission work from internal and external audit as appropriate and monitor the operation of internal and external audit processes for the LGA and its associated organisations.
4. Consider issues of probity and conduct and agree action necessary to ensure that the practice within the LG Group reflects an appropriate ethical framework.
5. Seek expert advice where necessary to provide independent internal or external assurance on key issues.
6. Present an annual report to the LGA Assembly, the LGA Executive and the individual company boards, detailing the activities of the Committee during the year and an assessment of the adequacy and effectiveness of the internal control framework of the LGA and its associated organisations.
7. Carry out an annual review of the effectiveness of the Committee.

Quorum

A quorum shall be 2 members, provided that representatives of at least 2 political groups represented on the body are present.

Political Composition

One member to be appointed from each political group (with substitutes if required).

Frequency per year

A minimum of two meetings per year, but up to three meetings may be held.

Reporting Accountabilities

The Audit Committee will report to the LGA Executive, and to the LGA Assembly, on the LGA and its associated organisations, and to the individual boards of companies associated with the LGA on specific issues.