

Audit and Finance Sub Committee

Terms of Reference

Constitution

1. The Board hereby resolves to establish a Committee of the Board to be known as the Audit and Finance Sub Committee.

Membership

2. The Sub Committee shall be appointed by the Board from amongst the Non-Executive members of the Assembly and shall consist of six members. A quorum shall be four members.
3. The Chair of the Sub Committee shall be appointed by the Board from amongst the Non-Executive members of the Assembly. When required, the Chair shall have a casting vote.

Attendance at meetings

4. The Corporate Governance Officer, the Chief Executive, a representative of GOEM and Leicestershire County Council shall normally attend meetings. Internal Audit and External Auditor senior representatives shall attend meetings as requested. Other EMRA Board members shall also have the right of attendance. However at least once a year the Committee shall meet with the internal and external auditors without EMRA Executives present.
5. The Chief Executive or designated Executive shall be Secretary of the Committee.

Frequency of meetings

6. Meetings shall be held quarterly, prior to review meetings with GOEM and EMRA Board meetings. The external auditors may request a meeting if they consider that one is necessary.

Authority

7. The Sub Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Sub Committee.
8. The Sub Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Duties

9. The duties of the Sub Committee shall be:
 - (a) a responsibility for establishing and recommending policy on all finance and audit matters
 - (b) to liaise with Leicestershire County Council on the appointment of the external auditor, the audit fee, and any questions of resignation or dismissal;
 - (c) in liaison with Leicestershire County Council to discuss with the external auditor before the audit commences the nature and scope of the audit;
 - (d) to review quarterly performance, the half year and annual financial statements before submission to the Board, focusing particularly on :
 - (i) any changes in accounting policies and practices
 - (ii) major judgemental areas
 - (iii) significant adjustments resulting from the audit
 - (iv) the going concern assumption
 - (v) compliance with accounting standards
 - (vi) compliance with legal requirements
 - (vii) review and update of the Risk Register
 - (e) to discuss problems and reservations arising from the interim and final audits, and any matters the auditor may wish to discuss (in the absence of the executive where necessary);
 - (f) to review the external auditor's management letter and management's response;
 - (g) to review the Assembly's statement on internal control systems prior to endorsement by the Board;
 - (h) to review the internal audit programme, ensure co-ordination between the internal and external auditors, and ensure that the internal audit function is adequately resourced and has appropriate standing within the Assembly;
 - (i) to consider the major findings of internal investigations and executive's response;
 - (j) to consider other topics, as defined by the Board.

Reporting procedures

10. The Secretary shall circulate the minutes of the meeting of the Sub Committee to all members of the Board.

2 February 2007