

Part 7 – Terms of Reference

AUDIT & GOVERNANCE COMMITTEE

TERMS OF REFERENCE

Statement of Purpose

The function of the Audit & Governance Committee is:

- (a) to provide independent assurance of the robustness of and compliance with the Council's corporate governance procedures, including procedural propriety in respect of decision-making and the Council's Constitution;
- (b) to provide independent assurance of the robustness of, and compliance with, the Council's financial management and controls and risk management.
- (c) to ensure the Council meets its duty to promote and maintain high standards of conduct by members and co-opted members of the authority under s.27 (1) of the Localism Act 2011 and to determine complaints and appeals under the Councillors' Code of Conduct, as set out in the Code of Conduct Complaints Procedure in Part 9 of the Council's Constitution (see 18 and 19 below).

The Committee serves as an important advisory body to the Full Council, responsible for ensuring that risks to the Council are minimised on matters falling within its terms of reference and recommending changes to procedures and processes to maintain and promote effective governance.

The Committee has delegated authority to approve the Council's accounts, capital outturn and the annual governance statement. The Committee is also responsible for overseeing the financial reporting and auditing processes.

Membership

The Council will appoint up to 9 councillors to the Committee

1. The Committee will appoint a non-voting co-opted member for no more than two consecutive four-year terms, who may receive an allowance

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as agreed under the Members' Allowance Scheme. The Committee will not be inquorate without the co-opted Member.

2. The Committee may from time to time appoint such external non-voting co-opted members with relevant knowledge of governance, financial and/or audit processes, as it considers appropriate.
3. The membership may not include an Executive member or Junior Cabinet Member
4. The Committee's Chair cannot be a member of any Scrutiny committee.

FUNCTIONS

Corporate Governance Functions

1. To ensure compliance in decision-making in respect of the Council's political management arrangements. This function includes all parts of the Council that are responsible for making decisions including full Council, Cabinet, Committees, officers under delegated authority, and other Council bodies, including joint bodies with other agencies. (The function includes prospective as well as actual decisions).
2. To receive reports from the Monitoring Officer on:
 - Governance compliance and assurance including Information Governance;
 - Maladministration;
 - Standards;
 - Policy framework issues; and
 - Access to information issues.
3. To have responsibility for Health and Safety and receive Annual or specific reports from Officers as necessary.
4. To be consulted by the Monitoring Officer on any reports to Council on urgent decisions made under rule 15 and 16 of the Access to Information Rules.

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5. To appoint, from time to time, Member-officer working groups on a cross party basis;
6. To receive, consider and recommend to the full Council, as appropriate, amendments to the Council's Constitution and related protocols and procedures, which may be on the advice of a Constitution Working Group as appointed under paragraph 5 above.
7. To prepare and agree an annual report on the Committee's work.

Audit Functions

General and Regulatory Matters

8. To consider the effectiveness of the authority's risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements. In particular, to ensure that action is taken as appropriate on risk-related issues identified by auditors and inspectors.
9. To be satisfied that the authority's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and to approve measures to ensure their effectiveness as appropriate.
10. To receive reports from Chief Financial Officer on:
 - Financial probity and compliance, including the Council's own procedures and policies;
 - Risk management; *and*
 - Budget issues.
11. To maintain an overview of the Council's Whistleblowing Policy.
12. To review matters referred to it by the Chief Executive or another Council body.

Audit

13. To approve, but not direct, Internal Audit's strategy to ensure it meets and supports the Council's strategic direction.
14. To approve the annual audit plan and opinion, including a summary of internal audit activity (actual and proposed) and to monitor progress

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against the plan and assess whether adequate skills and resources are available to provide an effective audit service.

15. To consider the External Auditor's Annual Letter, relevant reports, and report to Cabinet and/or Council as relevant on appropriate action.

16. To receive internal audit reports, including where agreed audit recommendations are not implemented within a reasonable timescale.

17. To comment on the scope and depth of external audit work and to ensure it gives value for money.

18. To consider, where appropriate, the reports of external audit and inspection agencies.

Accounts

19. To consider and approve the annual statement of accounts including the Annual Governance Statement in accordance with current statutory requirements. In doing so, to specifically consider:

- Compliance with appropriate accounting policies
- Concerns relating to the financial statements or from the audit that should be brought to the Council's attention.

Standards

20. The Committee will act as a pool of members to sit on sub-committees established for the purpose of determining complaints under the Councillors' Code of Conduct and Complaints Procedure set out in Part 9 of the Constitution.

21. Sub-Committees will consist of normally 3 members (excluding independent members) and must be politically balanced. Due to the strict timetables in the Complaints Procedure, Sub-Committees will be established by Director of Governance and Law in accordance with the nominations by the relevant political groups.

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Scrutiny

20. The Chair will call two meetings a year of all Scrutiny Chairs, who will prepare and publish a report on the work of their Committees since the previous report.