

Proposed Updated Terms of Reference

2.08.01 GOVERNANCE & AUDIT COMMITTEE

The Council will appoint a Governance & Audit Committee for the purpose set out below and specifically to discharge the functions described in Part 3 of this Constitution.

Purpose:

To provide independent assurance of the adequacy of the risk management framework, the internal control environment, governance processes, performance assessment, complaints arrangements and the integrity of financial reporting.

Composition:

The membership of the Governance & Audit Committee is to be determined by Council subject to:

- (a) at least two-thirds of the members of its governance & audit committee are members of the authority;
- (b) at least one member of its governance & audit committee is a lay member;
- (c) no more than one of the members of its governance & audit committee is a member of the authority's executive;
- (d) the senior member of its executive is not a member of its governance & audit committee.

Political Balance

Political balance rules apply.

Chairing the Committee

The Governance & Audit Committee shall be chaired by a person elected by its members; the Chairperson may be a Councillor or a Lay Member but must not be a Member of the Executive group.

Voting

All Governance & Audit Committee Members, including Lay Members, have the right to vote on any issue considered by the Committee.

Attendance by Others

Any Officer or Member called to attend a Governance & Audit Committee meeting must do so and must answer any questions asked of them save ones which they could refuse to answer if they were in court. The Committee can invite other persons to attend before it, but anyone else so invited is under no compulsion to do so.

Frequency of Meetings

The Governance & Audit Committee must meet at least once a year and must also meet if Council so decides, or if at least one third of the Committee's Members require that a meeting be held. Otherwise, the Committee may meet as it wishes subject to the usual notice requirements.

Quorum

The Quorum for the Governance & Audit committee shall be at least half of the Councillors eligible to be present.

3.05.01 GOVERNANCE & AUDIT COMMITTEE

A Committee of 10 Members and 1 Lay Member (see also 2.08.02 Governance & Audit Committee).

Function

The Governance & Audit Committee will:

- (a) review and scrutinise the authority's financial affairs,
- (b) make reports and recommendations in relation to the authority's financial affairs,
- (c) review and assess the risk management, internal control, performance assessment, corporate governance and complaints arrangements of the authority,
- (d) make reports and recommendations to the authority on the adequacy and effectiveness of those arrangements,
- (e) consider the external auditor's annual report and other relevant reports; and to make recommendations on their implementation to Cabinet and/or Council as appropriate.
- (f) consider specific reports as agreed with the external auditor and to make recommendations on their implementation to Cabinet and/or Council as appropriate.

- (g) consider the Council's draft Annual Performance Self-Assessment report and if deemed necessary may make recommendations for changes to the Council.
- (h) receive the Council's finalised Annual Self-Assessment report in respect of a financial year as soon as reasonably practicable after the end of that financial year.
- (i) at least once during the period between two consecutive ordinary elections of Councillors to the Council, consider the independent Panel Performance Assessment report into which the Council is meetings its performance requirements.
- (j) receive and review the Council's draft response to the report of the independent Panel Performance Assessment and if deemed necessary may make recommendations for changes to the statements made in the draft response to the Council.
- (k) review and assess the authority's ability to handle complaints effectively,
- (l) make reports and recommendations in relation to the authority's ability to handle complaints effectively
- (m) oversee the authority's internal and external audit arrangements, and
- (n) review the financial statements prepared by the authority.
- (o) consider the effectiveness of the authority's control environment and associated counter fraud and corruption arrangements and support the Councils ethical framework.
- (p) seek assurances that action is being taken on recommendations and risk-related issues identified by auditors and inspectors.
- (q) be satisfied that the authority's assurance framework and statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it, including partnerships and collaboration arrangements
- (r) approve (but not direct) internal audit's strategy, plan and monitor performance.
- (s) receive summary internal audit reports and the main issues arising, and seek assurance that action has been taken where necessary.
- (t) receive the annual report of the Head of Internal Audit.
- (u) consider the reports of external audit and relevant regulatory/inspection agencies as appropriate.

- (v) ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted.
- (w) review the financial statements, external auditor's opinion and reports to members, and monitor management action in response to the issues raised by external audit.
- (x) monitor compliance with the Councils Financial Procedure Rules and Procurement and Contracting Procedure Rules.

It must be noted that nothing referred to above precludes neither Internal or External Audit from reporting to the Cabinet/Council or other relevant Committee as appropriate.