

8. AUDIT AND GOVERNANCE COMMITTEE AND TERMS OF REFERENCE

Purpose

- 8.1 The Audit and Governance Committee is established by the Council under the Local Government Act 1972 to provide independent assurance to the Council as regards the Council's governance, risk management framework and associated control environment, including as regards treasury management environment. The Audit and Governance Committee provides independent review of the Council's financial and non-financial performance to the extent that it exposes the Council to risk and weakens its control environment, approves the Council's final accounts and also acts as an advisory committee to the Council and the Cabinet on audit and governance matters.
- 8.2 The Audit and Governance Committee may appoint a sub-committee drawn from its members to discharge any of its functions.
- 8.3 A sub-committee of the Audit and Governance Committee may exercise all the powers of the Audit and Governance Committee.
- 8.4 The Audit and Governance Committee and any sub-committee it appoints shall have regard to the Committee Procedure Rules set out above under Section 2 and all other applicable rules set out under this Constitution.
- 8.5 The membership, chair and quorum requirements for the Audit and Governance Committee are as set out below in the table below.

Membership, Chair and Quorum

Number of Members	9
Substitute Members Permitted	Yes. subject to completion of the mandatory training for the Audit and Governance Committee
Political Proportionality Rules Apply	Yes
Restrictions on Membership	The Mayor and Cabinet Members may not be members of the Audit and Governance Committee Members and substitutes must complete training on the Council's governance, risk management and financial reporting arrangements: <ul style="list-style-type: none"> • Prior to appointment; • After any period of extended absence; and

	<ul style="list-style-type: none"> At least once in each municipal year
Restrictions on Chair and Vice Chair	Must be a Member of the Committee (not a substitute)
Quorum for Meetings	½ of total membership subject to a minimum of five members
Number of ordinary Meetings Per Council Year	At least two per municipal year

Terms of Reference

Audit

- 8.6 To consider the Chief Internal Auditor's annual plan and annual report (including a summary of internal audit activity) and the level of assurance it can give over the Council's governance arrangements.
- 8.7 To consider summaries of specific internal audit reports and the response of the Chief Executive to such reports.
- 8.8 To consider reports dealing with the management and performance of internal audit service providers.
- 8.9 To consider the external auditor's annual letter, relevant reports and the report to those in charge of governance.
- 8.10 To consider specific reports as agreed with the Chief Finance Officer, Head of Internal Audit and Investigations and Monitoring Officer, Chief Executive or external auditor.
- 8.11 To comment on the scope and depth of external audit work and ensure it provides value for money.
- 8.12 To commission work from internal and external audit in accordance with guidelines as required.
- 8.13 Such other matters as required by law or guidance to be the proper remit of the Audit and Governance Committee.

Governance

- 8.14 To maintain an overview of all aspects of this Constitution not otherwise reserved to the Standards Committee, including but not limited to decision making, the Contract Procedure Rules and the Financial Procedure Rules.
- 8.15 To recommend and changes to this Constitution not otherwise reserved to the Standards Committee, including but not limited to decision making, the Contract Procedure Rules and the Financial Procedure Rules, to Council for adoption.

- 8.16 To review any issue referred to it within the terms of reference of the Audit and Governance Committee by the Chief Executive, Monitoring Officer, Chief Finance Officer or any body of the Council.
- 8.17 To consider and monitor the Council's risk registers and refer matters for consideration to Cabinet and Council.
- 8.18 To monitor the effective development and operation of risk management and corporate governance arrangements within the Council and approve the annual risk, management strategy.
- 8.19 To approve and monitor the Council's (whistle-blowing), anti-fraud and anti-corruption policies.
- 8.20 To review and make recommendations on the Council's Annual Governance Statement.
- 8.21 To consider the Council's corporate governance arrangements and make recommendations to ensure compliance best practice.
- 8.22 To monitor the Council's compliance with its own and other published standards and controls.
- 8.23 To consider reports dealing with risk management across the Council and those reports which identify key risks the Council faces, seeking assurance to the satisfaction of the Audit and Governance Committee, of appropriate management action.
- 8.24 To receive each municipal year statistical reports and details of complaints received and investigated under the Council's corporate complaints procedure.

Financial Reporting

- 8.25 To review the Council's annual statement of accounts and specifically consider whether appropriate accounting policies have been followed and whether there are any concerns arising from the financial statements or the audit, which should be brought to the attention of the Council.
- 8.26 To consider reports of the external auditor to those in charge of governance on issues arising from the audit of the accounts.

Local Government and Social Care Ombudsman

- 8.27 Receiving on behalf of the Council, reports issued by the Local Government and Social Care ombudsman on investigations that the Council's actions have amounted to maladministration causing injustice.