

APPENDIX 1 (ANNEX 2)

TERMS OF REFERENCE OF THE COMMITTEES, SUB-COMMITTEES AND WORKING PARTIES OF COUNCIL

COMMITTEE OF FULL COUNCIL

To determine any matter referred to it by the Mayor, the Council, Cabinet or any Committee of the Council and not otherwise reserved to Full Council. The Committee of Full Council is chaired by the Leader of the Council.

AUDIT AND ~~RISK STANDARDS~~ COMMITTEE

Governance, Risk and Control

1. To review the council's corporate governance arrangements against the good governance framework, including the ethical framework and consider the local code of governance.

2. To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control.

3. To consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.

4. To consider the council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.

5. To monitor the effective development and operation of risk management in the council.

6. To monitor progress in addressing risk-related issues reported to the committee.

7. To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.

8. To review the assessment of fraud risks and potential harm to the council from fraud and corruption.

9. To monitor the counter-fraud strategy, actions and resources.

10. To review the governance and assurance arrangements for significant partnerships and collaborations.

Internal Audit

10. To approve the Internal Audit Charter.

Commented [CE1]: Numbers 1- 33 are suggested Terms of reference in the CIPFA Practical Guidance

11. To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.

12. To approve the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.

13. To approve significant interim changes to the risk-based internal audit plan and resource requirements.

14. To make appropriate enquiries of both management and the Chief Internal Auditor to determine if there are any inappropriate scope or resource limitations.

15. To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the head of internal audit. To approve and periodically review safeguards to limit such impairments.

16. To consider reports from the Chief Internal Auditor on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:

a) Updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work.

b) Regular reports on the results of the Quality Assurance and Improvement Programme.

c) Reports on instances where the internal audit function does not conform to the Public Sector Internal Audit Standards and Local Government Application Note, considering whether the non-conformance is significant enough that it must be included in the Annual Governance Statement.

17. To consider the Chief Internal Auditor's Annual report:

a) The statement of the level of conformance with the Public Sector Internal Audit Standards and Local Government Application Note and the results of the Quality Assurance and Improvement Programme that supports the statement – these will indicate the reliability of the conclusions of internal audit.

b) The opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the committee in reviewing the Annual Governance Statement.

18. To consider summaries of specific internal audit reports as requested.

19. To receive reports outlining the action taken where the Chief Internal Auditor has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.

20. To contribute to the Quality Assurance and Improvement Programme and in particular, to the external quality assessment of internal audit that takes place at least once every five years.

21. To consider a report on the effectiveness of internal audit to support the Annual Governance Statement, where required to do so by the Accounts and Audit Regulations.

22. To provide free and unfettered access to the Audit Committee Chair for the Chief Internal Auditor, including the opportunity for a private meeting with the committee.

External Audit

23. To support the independence of the external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by Public Sector Audit Appointments (PSSA) or the authority's auditor panel as appropriate.

24. To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.

25. To consider specific reports as agreed with the external auditor.

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

27. To commission work from internal and external audit.

28. To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

Financial Reporting

29. To review the annual statement of accounts. 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 council.

30. To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

Accountability Arrangements

31. To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks; financial reporting arrangements, and internal and external audit functions.

32. To report to full council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.

33. To publish an annual report on the work of the committee

34. To maintain an overview to ensure compliance with the Council's Constitution in respect of Procedure Rules in relation to Contracts and Financial Regulations and make recommendations to Council in consultation with the Monitoring Officer and Section 151 Officer for any amendments

Audit Activity

Commented [CE2]: Deleted as now replaced by the terms in the CIPFA Practical Guidance

- ~~(6) To review issues referred to by the Chief Executive, Senior 151 Officer, Monitoring Officer, Executive Director or Council body~~
~~(8) To receive annual reports on exceptions and exemptions to the Council's Financial Regulations and Procedure Rules in Relation to Contracts.~~

Commented [CE3]: Moved with slight wording change to 34

Accounts Other Areas

Standards

Commented [CE4]: 38 – 45 & 47 are moved from the former Standards Committee Terms of Reference

(38) To promote and maintain high standards of conduct by Members

(39) To monitor the operation of the Members' Code of Conduct

(40) To advise the Council on the adoption or revision of the Members' Code of Conduct

(41) To oversee the effectiveness of the Council's procedures for investigating and responding to complaints of breaches of the Members' Code of Conduct

(42) To interview and make recommendations to Council on the appointment of Independent Person(s) in accordance with the requirements of the Localism Act 2011

~~(43) To deal with complaints of alleged breaches of the Code of Conduct which the Monitoring Officer, in consultation with the Independent Person(s), considers warrant detailed consideration and to make final recommendations thereon~~

Commented [CE5]: Now to be dealt with by a Hearings Panel of 3 as a Sub Committee of the Audit and Standards Committee – rather than the full Committee sitting to hear complaints

(44) To advise, train or arrange to train Members and Independent Person(s) on matters relating to the Members' Code of Conduct

(45) To consider requests from Members to grant dispensations from being precluded from participation in a meeting (**see Appendix 18 Annex 4 Dispensations Process & Form**)

(46) To appoint a sub-committee to act as a Hearing Panel of 3 Members drawn from the committee on a politically proportionate basis to conduct hearings and make decisions on allegations under the Code of Conduct. (Terms of Reference for the Hearings Panel are below.)

Commented [CE6]: New power to appoint a Hearing panel in the event of an investigation under the Code of Conduct

(47) To maintain an overview of complaints handling and Local Government Ombudsman investigations.

Audit and Standards Sub Committee

Hearing Panel

Commented [CE7]: Sets out Terms of reference for a Hearing Panel to conduct local hearings and to determine initial complaints where the Monitoring Officer considers a referral is appropriate

The Hearing Panel may be convened by the Monitoring Officer when required:

(1) To conduct local hearings and make decisions on allegations following investigation of a complaint under the Code of Conduct

(2) To make decisions on allegations where the Monitoring Officer considers it appropriate to refer the initial complaint to the Panel for determination

(3) The Panel will seek and take into account the views of an Independent Person

Commented [CE8]: This is required by the Localism Act 2011

appointed under the Localism Act 2011 before making a decision on any allegation which has been investigated