

Article 10 – Governance and Audit Committee

10.1 Role and Function

The Council will establish a Governance and Audit Committee which will undertake the following functions:

Audit Activity

- i) Approve the appointment of internal auditors
- ii) Approve the internal audit strategy and plan and monitor their performance
- iii) Review internal audit progress reports, outlining the main issues arising and paying particular attention to reports with limited assurance
- iv) Review the status of agreed internal audit recommendations to ensure implementation by the due date
- v) Receive the annual report and opinion of the Head of Internal Audit
- vi) Consider the appointment of external auditors
- vii) Consider and review the reports of external audit, including the audit plan, audit letter and certification of grants and returns
- viii) Review the effectiveness of the relationship between internal audit and external audit and that the value of the audit process is actively promoted in line with the Accounts and Audit Regulations
- ix) Meet in private with the internal and external auditors at least annually

Risk Management

- x) Approve the risk management strategy and framework
- xi) Review the corporate risk register and other key risks (including partnerships) and seek assurances that appropriate mitigating action has been taken where necessary
- xii) Approve the annual report on risk management activity and consider the effectiveness of the Council's overall arrangements for managing risk

Governance

- xiii) Approve the Annual Governance Statement and ensure that in-year assurance statements completed by Officers properly reflect the risk and control environment and any actions required to improve it
- xiv) Approve the Code of Corporate Governance and action plan
- xv) Review the effectiveness of the governance arrangements underpinning the establishment and maintenance of key partnerships
- xvi) Consider the outcome of a self-assessment of the effectiveness of the Committee's work (at least bi-annually)
- xvii) Produce a Chairman's Annual Report on the activities of the Committee and present this to Full Council

Regulatory Framework

- xviii) Review the Council's internal control policies, such as Contract Procedure Rules, Financial Regulations, and any significant amendments or revisions to them
- xix) Monitor, review and amend as appropriate the thresholds and limits contained in the Financial Regulations Guidance Notes
- xx) Approve the Counter Fraud, Bribery and Corruption Framework, including the Whistleblowing Policy and Anti-Money Laundering Policy
- xxi) Monitor, review and amend as appropriate the Council's approved Treasury Management Strategy, paying particular attention to the inherent risks of the prevailing economic/financial climate
- xxii) Review the annual report on the effectiveness of the Council's Health and Safety arrangements
- xxiii) Receive an annual report on the Council's involvement in safeguarding vulnerable adults and children
- xxiv) Initiate inquiries on matters brought to the Committee's attention by the Chief Executive, Deputy Chief Executive, Directors, Assistant Directors or any Council body

Accounts and Financial Reporting

- xxv) Approve the annual statement of accounts and receive the external auditor's Annual Governance Report on issues arising from the audit and the value for money opinion
- xxvi) Approve the Annual Revenue and Capital Outturn report, including the movement of reserves
- xxvii) Approve the Statement of Accounting Policies to be used in the production of the financial statements. In particular, to approve the underlying assumptions to be used to calculate International Accounting Standard (IAS) 19 pension figures in the statement of accounts
- xxviii) Review and draw the attention of the Council to issues arising out of the financial statements and financial reports in accordance with the Local Government Act 2003.

Ombudsman

- xxix) Consider the Monitoring Officer's annual report on the outcome of Ombudsman enquiries.
- xxx) Consider specific reports from the Ombudsman as required.

Constitution

- xxxi) Advise and propose to Full Council amendments to the Constitution relating to all matters other than conduct and probity issues
- xxxii) Receive and consider reports from the Monitoring Officer or Chief Executive in relation to proposed amendments to the Constitution
- xxxiii) Receive and consider reports from Cabinet or any of the Council's Committees which propose amendments to the Constitution
- xxxiv) Monitor and review the operation of the Constitution

Council Companies

- xxxv) Approve the appointment of directors to Council-owned companies, subject to the Articles of Association of the company concerned

10.2 Membership

Full Council will appoint no fewer than nine Councillors to the Governance and Audit Committee.

The Governance and Audit Committee will comply with the political balance rules in Section 15 of the Local Government and Housing Act 1989.

The Committee may appoint, as a Co-opted Member, an external appointee as a member of the Governance and Audit Committee with voting rights.

10.3 Training

Councillors must attend mandatory training and annual refresher training in order to sit and act on the Governance and Audit Committee.

10.4 Proceedings of the Governance and Audit Committee

The Governance and Audit Committee must conduct its proceedings in accordance with the principles of Council Procedure Rules and Access to Information Procedure Rules set out in Part 4 of this Constitution, other than those rules which only apply to meetings of Full Council.

10.5 Attendance at Meetings

All Councillors have the right to attend any meeting of the Governance and Audit Committee. They will be permitted to speak at the discretion of the Chairman, or the person presiding the meeting, but the same provision must be made available to all Councillors in attendance. In such circumstances, no speech will exceed five minutes in length, unless the Chairman or person presiding uses their discretion to allow a Councillor to exceed this time limit.