

5.0 Audit and Governance Committee

5.1 The Audit and Governance Committee will have the specific role of monitoring the ~~B~~udget, approving the council's Statement of Accounts and acting as the council's audit committee. The ~~C~~ommittee also carries out the treasury management functions set out in detail in the Procedure Rules in Part 4 of this Constitution.

5.2 The number and arrangements for this ~~committee~~ Committee are as follows:

- (a) the ~~C~~ommittee will consist of a maximum of ~~7~~ seven ~~M~~embers of the ~~C~~ouncil;
- (b) the ~~C~~ommittee may appoint ~~S~~ub-~~C~~ommittees;
- (c) no Member of the Executive may be a Member of the ~~C~~ommittee;
- (d) Substitute Members to the committee shall be appointed by the Council in accordance with the wishes of the political group to whom the seats have been allocated.

— Meetings of the ~~C~~ommittee shall be programmed in each year. There will normally be between four and six meetings annually. In addition, ~~E~~xtraordinary ~~M~~meetings may be called from time to ~~t~~e

5.3 ~~t~~ime as and when appropriate. A ~~C~~ommittee meeting may be called by the Chairman, by any four ~~M~~members of the ~~C~~ommittee or by the Monitoring Officer if ~~they~~ he/she considers it necessary or appropriate.

5.25.4 Quorum

5.4.1 The ~~Q~~uorum for ~~the~~ ~~a~~ ~~C~~ommittee shall be ~~three~~ Members. ~~one-third of the committee membership as set out in Part 4A of the Constitution.~~

5.35.5 Appointment of Chairman and Vice Chairman

5.5.1 The Chairman of the Audit and Governance

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Committee will be appointed by the Council at its annual meeting ~~in May~~. The Vice-Chairman will be appointed by the ~~C~~committee at its first meeting of the ~~C~~eivic ~~Y~~ear.

5.5.2 Subject to 5.5.1 above, the Chairman and Vice-Chairman will hold office during that Civic Year until, in each case:

- (i) ~~they~~he/she resigns from the office of Chairman or Vice-Chairman; ~~or~~
- ~~(ii) they are~~he/she is no longer a Councillor; ~~or~~
- ~~(iii)~~ they are removed by a resolution of the Council.

5.5.3 Upon the occurrence of a vacancy in the office of Chairman, the Council shall appoint a Chairman at its next meeting. In the case of a vacancy in the office of Vice Chairman, the Committee shall fill the vacancy at its next meeting.

5.45.6 Remit~~Terms of Reference~~

5.6.1 The ~~terms of reference of the~~Audit and Governance Committee ~~are that it~~ will~~has~~ the following functions:

- (a) assist the Council and the Executive in the development of the annual ~~B~~budget;
- (b) Approving the Council's statement of accounts;
- (c) Consider the effectiveness of the council's risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements;
- (d) Seek assurances that action is being taken on risk-related issues identified by auditors and inspectors;
- (e) Be satisfied that the council's assurance statements, including reviewing the Annual Governance Statement against the good governance framework, properly reflect the risk environment and any actions required to improve it;
- (f) Approve internal audit's strategy, its plan and monitor its performance;

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(g) Approve the shared anti-fraud service strategy, its plan and monitor its performance

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(h) Review summary internal audit reports and the main issues arising and seek assurance that action has been taken where necessary;

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(i) Consider the annual report of the head of internal audit;

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(j) Consider the reports of external audit (including the annual audit letter) and inspection agencies, and monitor management action in response to the issues raised;

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(k) 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 promote;

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(l) 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;

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(m) Have oversight of the council's commercial projects

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~~(i) act as the council's Audit Committee. The nature of this role is specified below;~~

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~~(ii) consider means of improving and promoting the audit functions of the council;~~

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~~(iii) promote and maintain the Ethical Standards Framework;~~

~~(iv) make recommendations taking into account the advice of the Monitoring Officer of periodic amendments and updating of the Council's Constitution;~~

5.6.2 Audit function

As an integral part of its role as the council's audit committee, undertake the following areas:

~~(a) integration of the audit role: ensure that the principles of effective audit are integrated into the~~

work of the Audit and Governance Committee and the council generally;

(b) risk management: provide assurance of the effectiveness of the corporate risk assessment process and monitor the effective development and operation of risk management policies in the council, specifically including monitoring of the Risk Management Strategy and the Corporate Risk Register;

(c) internal audit and governance: provide an effective mechanism to monitor the control environment within the council, ensuring the highest standards of probity and public accountability by:

- reviewing and approving the Annual Audit Plan;
- challenging and following up internal audit recommendations;
- reviewing internal audit performance;
- reviewing the Annual Governance Statement and Statement of Internal Control; and
- reviewing anti-fraud and corruption controls and arrangements (including the whistleblowing process)

(d) financial statements and annual accounts: provide scrutiny of the council's financial performance by scrutinising the:

- finance monitoring reports;
- Medium Term Financial Planning;
- financial outturn reports; and
- Statement of Accounts

(e) treasury management: provide scrutiny of:

- the council's responses to changes in statutory and regulatory requirements and guidance;
- the annual Treasury Management and Investment Strategy;
- ongoing revisions to treasury management strategies and policies; and
- the mid-year treasury management review

(f) external audit: maintain and develop an objective and professional relationship with the council's external auditors and ensure any issues arising from inspection are dealt with including:

- ~~— annual audit and Inspection plan and any resulting reports; and~~
- ~~— consideration of how the external audit is conducted and any issues arising.~~

~~(g) Annual Audit Letter~~

~~(h) Statement of Auditing Standard (SAS) 610~~

~~(i) Communications~~

~~(j) procurement: ensure formal reporting of procurement issues including:~~

- ~~— contract waivers;~~
- ~~— update and revision of Contract Procedure Rules; and~~
- ~~- issues arising from contracts that may impact on the council's finances~~

(a) Consider budget monitoring reports and risk management reports;

(b) Lead the cross Member scrutiny and consideration of the council's draft annual budget and medium term finance strategy;

(c) Scrutinise the council's Annual Investment Strategy, Annual Capital Strategy, Mid-Year Treasury Management Report and Annual Treasury Management Report and through review gain assurance that systems of governance and control for Treasury Management are effective;

(d) Where appropriate, assisting the Council and the Executive in the development of its budget and policy framework by in-depth analysis of financial, procurement and governance related policy issues;

(e) Review anti-fraud and corruption controls and arrangements, including the whistleblowing process

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5.6.3 Ethical Standards Framework

- ~~(i) — promote and maintain high standards of conduct of Members and Co-opted Members of the Council;~~
- ~~(ii) — promote and provide guidance on high standards of conduct to be followed by members of Town and Parish Councils;~~

- ~~(iii) — manage complaints on behalf of Town and Parish Councils;~~
- ~~(iv) — advise the Council on the adoption or revision of the Members' Code of Conduct;~~
- ~~(v) — receive referrals from the Monitoring Officer into allegations of misconduct in accordance with the council's assessment criteria;~~
- ~~(vi) — receive reports from the Monitoring Officer and assess the operation and effectiveness of the Members' Code of Conduct;~~
- ~~(vii) — train Members and Co-opted Members to observe the Members' Code of Conduct;~~
- ~~(viii) — assist Members and co-opted Members to observe the Members' Code of Conduct;~~
- ~~(ix) — hear and determine complaints about Members and Co-Opted Members referred to it by the Monitoring Officer;~~
- ~~(x) — advise the Council upon the contents of and requirements for codes/protocols/other procedures relating to standards or conduct throughout the council;~~
- ~~(xi) — maintain an oversight of the council's arrangements for dealing with complaints;~~
- ~~(xii) — inform the Council and the Chief Executive of relevant~~

~~issues arising from the determination of Code of Conduct complaints;~~

- ~~(xiii) appoint the Standards Sub-Committee drawn from three members of the Committee which will exercise, on a delegated basis, the functions as set out in the sub-committee terms of reference. The committee should reflect Member representation where practicable;~~
- ~~(xiv) exercise the power to consider and grant dispensations to Members where:~~
- ~~the number of Members precluded from transacting the business is so great that it would impede the business of the Council, committee or Executive; or~~
- ~~• the political balance is affected to the extent that it could affect the outcome of a vote relating to the business.~~

~~— Standards Sub-Committee Terms of Reference~~

- ~~(i) To consider assessment and investigation reports in respect of Code of Conduct complaints that are referred to it by the Monitoring Officer.~~
- ~~(ii) To conduct a hearing into an allegation that a Member or co-opted Member of the Council or Town/Parish Council has breached the relevant code of conduct. At such a hearing, the Member against whom a complaint has been made may respond to the investigation report. Following the hearing the sub-committee can make one of the following findings:~~
- ~~• that the Member has *not* failed to comply with the Code of Conduct and no further action needs to be taken in respect of the matters considered at the hearing;~~
 - ~~• that the Member *has* failed to comply with the Code of Conduct but no further action needs to be taken in respect of the matters considered at the hearing; or~~
 - ~~• that the Member *has* failed to comply with the Code of Conduct and a sanction and/or an informal resolution should be imposed.~~
- ~~(iii) The sub-committee may impose any action or combination of actions available to it, or impose any informal resolution or combination of informal resolutions as are available to it either by law or policy.~~

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- ~~(iv) — After making a finding the sub-committee shall, as soon as reasonably practicable, provide written notice of its findings and the reason for its decision to the Member and the complainant.~~
- ~~(v) — To apply the council's Standards Complaints Procedure and Complaints Standards Sub-Committee Procedure to hearings before the sub-committee.~~
- ~~(vi) — All Members who sit on a Standards sub-committee must receive mandatory training.~~