

## Audit and Governance Committee – Terms of Reference

	Function	How Discharged	Lead Officer	Frequency	A&G Action / Output
<b>A</b>	<b>General Remit</b>				
1	To provide independent assurance of the adequacy of the risk management framework and the associated control environment.	<p>Receive the Risk Management Strategy and Framework for periodic review.</p> <p>Receive an annual Risk Management report.</p> <p>Receive update reports and presentations on the Council's strategic and key other risks.</p>	<p>Head of Corporate Assurance</p> <p>Head of Corporate Assurance</p> <p>Head of Corporate Assurance / Relevant Exec. Directors</p>	<p>Every 3 years</p> <p>Annually</p> <p>At each meeting</p>	<p><b>Review</b> the Risk Management Strategy and Framework and <b>consider</b> the assurances it provides that appropriate and effective arrangements for the management of risk are in place.</p> <p><b>Review</b> the annual report and <b>consider</b> the assurances it provides regarding risk management activity during the year and that it aligns with the Annual Governance Statement.</p> <p><b>Receive</b> presentations from the relevant Executive Directors on their strategic risks and <b>consider</b> the assurances they provide that the strategic risks are being managed effectively.</p>
2	To provide independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment.	Receive regular reports demonstrating the Council's financial and performance arrangements.	Director of Finance	Quarterly	<b>Review</b> the financial and performance monitoring reports (considered by Cabinet) and <b>consider</b> the assurances they provide that the arrangements are fit for purpose and effective.
3	To oversee the financial reporting process.	To receive the draft and final statement of accounts in accordance with statutory requirements.	Director of Finance	As per the statutory timescales	<b>Review</b> the draft and final accounts and <b>consider</b> the degree of assurance provided that they meet professional accounting standards and statutory timeframes.
4	To promote the application of and compliance with effective governance arrangements across the Authority and its partner organisations.	To receive reports regarding the Council's governance arrangements (assurance reports) and particularly the preparation of the statutory Annual Governance Statement.	Head of Corporate Assurance	As per the statutory timescales	<b>Review</b> the periodic governance assurance reports and reports regarding the preparation of the Annual Governance Statement and <b>consider</b> the assurances they provide that the Council's governance arrangements are in place and effective.

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<b>B</b>	<b>Internal Control incorporating Risk Management, Financial Probity and Stewardship</b>				
a	To consider the overall adequacy and effectiveness of the system of internal control and the arrangements for risk management, control and governance processes and securing economy, efficiency, and effectiveness (value for money).	Through a programme of reports and presentations covering the Authority's risk, control, and governance arrangements.	Head of Corporate Assurance	At each meeting / Annually	<b>Review</b> the Committee's workplan and <b>consider</b> whether it covers the necessary areas to fulfil the Committee's terms of reference and therefore provide the necessary information and assurances.
b	To ensure that the highest standards of financial probity and stewardship are maintained throughout the Authority, within policies set by the Council from time to time.	Receive for consideration and recommendation for approval the Council's Financial Regulations and supporting policies.	Director of Finance	As per review cycle or as required.	<b>Review</b> the Council's Financial Regulations (and related policies) and <b>consider</b> whether they are fit for purpose, and therefore provide assurances to the Committee and to <b>recommend</b> to Cabinet / Council (as appropriate) for formal approval.
		Receive and consider relevant Corporate Assurance reports	Head of Corporate Assurance	Quarterly, within Corporate Assurance update reports.	<b>Consider</b> the assurances provided within the quarterly Corporate Assurance reports such that the Committee is assured of appropriate management action being taken to address any control weaknesses identified.
c	To consider such policies for consideration and approval by the Council.	Receive relevant draft policies for consideration and recommendation for approval.	Head of Corporate Assurance (for co-ordination)	As required	<b>Review</b> the draft policies and <b>consider</b> whether they are fit for purpose and will therefore provide the necessary control, risk, and governance framework.
d	To promote effective internal control by the systematic appraisal of the Authority's internal control mechanisms and by the development of an anti-fraud culture.	Receive regular Corporate Assurance reports (incorporating anti-fraud reports) and other governance assurance reports.	Head of Corporate Assurance and Governance Leads	At each meeting	<b>Review</b> the various reports and <b>consider</b> the degree of assurance they provide regarding the effectiveness of internal control arrangements.
e	To promote effective risk management throughout the Council in accordance with the Council's Risk Management Policy Objectives Statement.	Receive the Risk Management Strategy and Framework for periodic review.	Head of Corporate Assurance	Every 3 years	<b>Review</b> the Risk Management Strategy and Framework and <b>consider</b> the assurances it provides that appropriate and effective arrangements for the management of risk are in place.

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f	To periodically review the Authority's strategic risk register and to invite, when appropriate, a Member of the Senior Management Team to meetings to discuss strategic risks within their specific service area.	Receive update reports and presentations on the Council's strategic and key other risks.	Head of Corporate Assurance / Relevant Exec. Directors	At each meeting	<b>Receive</b> presentations from the relevant Executive Directors on their strategic risks and <b>consider</b> the assurances they provide that the strategic risks are being managed effectively.
g	To consider, challenge and comment on the Annual Governance Statement.	Receive the draft and proposed final Annual Governance Statement.	Head of Corporate Assurance	Annually as per statutory timescales	<b>Review</b> the draft and proposed final Annual Governance Statement and <b>consider</b> (and comment as required) that it has been prepared in accordance with recommended practice and adequately reflects the governance issues and areas for improvement determined through the annual governance review process.  <b>Recommend</b> the Final Annual Governance Statement to Full Council for formal approval and publication.
h	To receive periodic reports on additional corporate functions contributing to overall assurance against the corporate priorities and specifically in relation to: <ul style="list-style-type: none"> <li>• Business Intelligence, Human Resources and Communications</li> <li>• Health, Safety, Business Continuity and Emergency Resilience</li> <li>• Governance, Member and Business Support</li> <li>• Information Governance</li> <li>• Strategic Procurement</li> <li>• Asset Management</li> <li>• Ethical Framework</li> <li>• Equality and Inclusion</li> <li>• Partnership and Collaboration Governance</li> <li>• Environmental Governance.</li> </ul>	Receive governance assurance reports	Governance Lead Officers / Head of Corporate Assurance (co-ordination)	Each governance area at least annually.	<b>Review</b> the governance assurance report and <b>consider</b> the extent to which assurances are provided that the arrangements in place are effective and efficient.

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i	To encourage wider dialogue with members of the Senior Management Team by inviting them to meetings on a periodic basis to give assurance about issues identified within reports relating to various Directorate activities and in particular those which are subject to reported Corporate Assurance implications.	Invite relevant senior management to provide assurances regarding and control, risk or governance issues identified in Corporate Assurance (Internal Audit) or other audit or inspection reports.	Relevant Executive Director / Head of Corporate Assurance (co-ordination)	As and when required	To <b>consider</b> the explanations provided and the assurances they provide that suitable improvements have been made regarding any weaknesses or issues raised in Corporate Assurance reports.
<b>C</b>	<b>Corporate Assurance (Internal Audit)</b>				
j	To oversee, in consultation with the Corporate Assurance Team, the preparation and approval of an annual corporate assurance plan for the Authority and to receive periodic reports from the Corporate Assurance Team on performance against the plan.	Receive the corporate assurance (internal audit) plan preparation methodology.  Receive the proposed corporate assurance (internal audit) plan.	Head of Corporate Assurance  Head of Corporate Assurance	Annually (January)  Annually (March)	<b>Review</b> the methodology for the preparation of the annual corporate assurance plan and <b>consider</b> the assurance it provides that an appropriate and risk-informed plan of work is prepared.  <b>Review</b> the proposed corporate assurance plan and <b>consider</b> the assurance it provides that an appropriate plan of work has been determined that will support the Head of Corporate Assurance's (Internal Audit) annual opinion.
k	To monitor compliance with corporate assurance reports following their consideration by management.	Receive quarterly Corporate Assurance progress reports that include details of management's compliance.	Head of Corporate Assurance	Quarterly	<b>Review</b> the quarterly Corporate Assurance progress reports and <b>consider</b> the assurances they provide regarding management's compliance.
l	To examine reports previously submitted to the Cabinet in respect of ongoing activities and investigations conducted by corporate assurance and to make appropriate comments and recommendations.	Receive reports as and when appropriate.	Head of Corporate Assurance	As and when appropriate	<b>Review</b> the reports and <b>consider</b> whether additional comments are needed and/or further action is necessary, making the appropriate recommendations as required.
m	To review the performance of the corporate assurance team by way of quarterly performance management reports.	Receive quarterly Corporate Assurance progress reports that include details of the function's performance.	Head of Corporate Assurance	Quarterly	<b>Review</b> the quarterly Corporate Assurance progress reports and <b>consider</b> the assurances they provide regarding the function's performance.

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n	To consider the Head of Corporate Assurance (Internal Audit and Corporate Anti-Fraud) annual audit report and opinion, and a summary of activity (actual and planned) and the level of assurance it can give over the Council's corporate governance arrangements.	Receive the Head of Corporate Assurances' annual reports covering internal control, risk and governance assurance, and anti-fraud activity.	Head of Corporate Assurance	Annually	<b>Review</b> the various Head of Corporate Assurance annual reports and <b>consider</b> the assurances they provide regarding the effectiveness and efficiency of the Council's internal control, risk and governance arrangements and arrangements for anti-fraud.
o	To enhance the profile, status and authority of the corporate assurance team and demonstrate its independence.	Have a private meeting with the Head of Corporate Assurance as part of the Committee's workplan.	Head of Corporate Assurance	Throughout the year	<b>Hold</b> a private meeting with the Head of Corporate Assurance at least annually to be assured of their independence and unfettered access to the Committee.  <b>Review</b> the Head of Corporate Assurance's annual report and the preparation and delivery of the Corporate Assurance Plan and <b>consider</b> the assurances they give that the function is adequately resourced.
		Ensure the Head of Corporate Assurance has unfettered access to the Committee.	Director of Finance	Throughout the year	
		Support the work of the Corporate Assurance Team in being assured it has sufficient resources and skills to discharge its professional responsibilities.	Head of Corporate Assurance	Throughout the year	
p	To approve and periodically review the Corporate Assurance (Internal Audit) Charter.	Receive the Corporate Assurance Charter.	Head of Corporate Assurance	Annually	<b>Review</b> the Corporate Assurance Charter and <b>consider</b> the assurances it provides that it has been prepared in accordance with professional standards and can be delivered.
<b>D</b>	<b>External Audit and other Inspectorates or Regulatory Bodies</b>				
q	To oversee, in consultation with external auditors, the preparation of the annual audit plan for the Authority and to receive periodic reports from the external auditor on performance against the plan.	Receive the External Audit proposed plan of work and periodic progress / update reports on the delivery of the plan.	External Audit Engagement Lead	Annually and at each meeting.	<b>Review</b> the plan proposals and <b>consider</b> the assurances it will provide.  <b>Review</b> the progress reports and <b>consider</b> the progress made against the plan.

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r	To consider and report to Cabinet and the Council the annual audit and inspection letter.	Receive the External Auditor's ISA260 Report and Annual report.	External Audit Engagement Lead	Annually	<b>Review</b> the External Auditor's annual reports and <b>consider</b> the assurances they provide regarding the Council's statutory accounts and <b>consider</b> External Audit's assessment of the Council's value for money arrangements.
s	To consider the appointment of the Council's external auditor.	Receive a report on the Council's arrangements to appoint the External Auditor.	Director of Finance	As per the required timescales	<b>Review</b> the Director of Finance's recommendation regarding the method of appointing the Council's external auditor and <b>consider</b> whether the proposal will ensure an appropriate appointment.
t	To monitor compliance with external audit, external inspectorate and Ombudsman reports following their consideration and resolution by the Cabinet and/or Council.	Receive relevant reports.	Head of Corporate Assurance (co-ordination)	As and when required	<b>Review</b> the reports and <b>consider</b> if any additional action or recommendations are required and monitor any subsequent progress.
u	To consider any payments in excess of £2000 or provide other benefits in cases of maladministration by the Authority within the scope of section 92 of the Local Government Act 2000 or as directed by the Local Government and Social Care Ombudsman (LGSCO) and any other recommendations made by the LGSCO falling under the remit of the Committee.	Receive relevant reports	Monitoring Officer	As and when required	<b>Review</b> the reports and <b>consider</b> the assurances they provide regarding the circumstances of the matter and that appropriate lessons have been learned. <b>Request</b> any relevant update report to ensure the implementation of any Ombudsman recommendations.
<b>E</b>	<b>Other</b>				
v	To consider general issues and statistics in relation to the Council's Confidential Reporting (Whistleblowing Policy) "Whistleblowing" Policy.	Receive an annual report.	Corporate Whistleblowing Officers	Annually	<b>Review</b> the report and <b>consider</b> the assurance it provides that the Council's Whistleblowing / Confidential Reporting arrangements are fit for purpose and that appropriate action has been taken in relation to any concerns raised.
w	To review the Authority's arrangements for establishing an appropriate anti-fraud framework.	Receive draft framework documents.	Head of Corporate Assurance	Annually	<b>Review</b> the draft framework documents and <b>consider</b> the assurances they provide that they will ensure effective anti-fraud arrangements are in place.

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x	To monitor compliance with and the effectiveness of anti-fraud and corruption policies and procedures.	Receive periodic reports and an annual report on anti-fraud activities.	Head of Corporate Assurance	Annually and mid year	<b>Review</b> the reports and <b>consider</b> the assurances they provide that the Council's anti-fraud arrangements are effective.
y	To monitor compliance with the Authority's Partnership Governance Framework.	Receive relevant assurance reports and the management of partnership governance.	Director of Finance / Head of Corporate Assurance	As and when required / annually	<b>Review</b> any Corporate Assurance reports that refer to partnership governance matters and <b>consider</b> the assurance they provide that the Council's arrangements are effective. <b>Review</b> an annual assurance report and <b>consider</b> the assurance it provides that the arrangements are fit for purpose.
z	To consider and review compliance with the Authority's Treasury Management policy.	Receive relevant reports regarding the Council's treasury management responsibilities	Director of Finance	Annually / periodically throughout the year	<b>Review</b> the reports and <b>consider</b> the assurances they provide that the Council is meeting its treasury management responsibilities.
<b>F</b>	<b>Accounts</b>				
aa	To 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	Receive the draft and final statutory financial statements and the External Auditor's opinion.	Director of Finance / External Audit Engagement Lead	As per the statutory timescales	<b>Review</b> the draft and final financial statements and <b>consider</b> whether they have been prepared in accordance with professional accounting standards and <b>be assured</b> of management's response to any issues / recommendations raised by External Audit. <b>Recommend</b> the presentation of the financial statements to Full Council.
bb	To contribute to the annual review, consideration and challenge of the financial statements.	Receive the draft and final statutory financial statements and the External Auditor's opinion.  Receive any necessary briefings / training regarding the preparation of the financial statements.	Director of Finance / External Audit Engagement Lead  Director of Finance	As per the statutory timescales  As required	<b>Review</b> the draft and final financial statements and <b>consider</b> whether they have been prepared in accordance with professional accounting standards.  <b>Participate</b> in the training provided.