PROPOSED TERMS OF REFERENCE

AUDIT COMMITTEE

Membership 6 + 1 Independent Member

Quorum   3

Statement of Purpose

1 The Audit Committee is a key component of Council's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

2 The purpose of the Audit Committee is to provide independent assurance to members of the adequacy of the risk management framework and the internal control environment. It provides independent review of governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

Governance, Risk and Control

3 To review the council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.

4 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.

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

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

7 To monitor the effective development and operation of risk management in the Council.

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

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

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

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

Internal audit

12 To approve the internal audit charter.

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

14 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.

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

16 To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.

17 To consider reports from the head of internal audit 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.

18 To consider the head of internal audit'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.

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

20 To receive reports outlining the action taken where the head of internal audit 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.

21 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.

22 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

23 To support the development of effective communication with the head of internal audit.

External audit

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.

PEOPLE COMMITTEE

Membership   **5 Members**

Quorum   **3**

Terms of Reference

To provide strategic oversight of the Council's People Strategies, policies and practice to ensure that the Council is managing its people effectively.

To review any new 'people' policies and make recommendations on best practices.

To monitor the impact of the Council's People Strategies on organisational performance.

CONSTITUTIONAL WORKING GROUP

Membership   **6 Members**

Quorum   **3**

Terms of Reference

The Constitutional Working Group in consultation with the Head of Paid Service and the Monitoring Officer will monitor and review the operation of the Constitution to ensure that the aims and principles of the Constitution are given full effect will

a.   provide overall guidance and direction on matters pertaining to the operation of the

       Council's Constitution

b.   will agree draft outcomes, which for the Constitutional Working Group are:

- That the Council's Constitution and its associated Standing Orders are current with statutory requirements

- That the rules of procedure and delegation schemes within the Constitution are fit for purpose

- To review progress in delivering these outcomes

- To act as a sounding board for the officer

- To give guidance on solutions that will resolve any inconsistencies in policy or outcomes

- To ensure that the outcomes are achieved within the time limits set.

c.   Consider proposed changes to the Constitution in consultation with the Head of Paid Service and Monitoring Officer and make recommendations to Council.

ENVIRONMENT WORKING GROUP

Membership 5 Members

Quorum   3

Terms of Reference

To co-ordinate the Council's approach to Climate Change under the direction of the Chair and Committee.

IT AND COMMUNICATIONS WORKING GROUP

Membership   5 members

Quorum   3

Terms of Reference

Communications

1.1   To ensure effective the Council has an effective first point of contact system.

1.2   To review and inform customer access standards are agreed to set of criteria.

1.3   To promote accountability, transparency, and value for money in relation in terms of customer accessibility to Council services.

IT

2.1   To promote accountability, transparency, and value for money in relation to the Council's IT systems.

2.2   To ensure that the Council makes best use of its existing Information Systems and expertise, and takes a corporate view on a common strategy to encourage harmonisation, avoid duplication and integration/accessibility obstacles of systems to maximise efficiencies.

2.3   To act as a sounding board to assess and inform the overall priorities and investment requirements of major IT projects and programmes to inform recommendations.