PART 3 – RESPONSIBILITY AND FUNCTIONS

TERMS OF REFERENCE – PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE

CONTENTS

1. **Terms of Reference**
   - Performance and service delivery
   - Governance
   - Audit and risk
2. **Operating Protocol**

COMMITTEE	**PERFORMANCE, GOVERNANCE AND AUDIT**
MEMBERSHIP	10 Members of the Council appointed annually and politically balanced Non-voting Members: One Independent person (co-opted)
LEAD OFFICER	Chief Executive
OFFICERS / UNITS PRIMARILY REPORTING	Senior Leadership Team

1. TERMS OF REFERENCE

1.1 The Performance, Governance and Audit Committee is primarily responsible for the monitoring of the performance of the Council, oversee the Council's audit and risk functions, and keep under review the Council's Corporate Governance arrangements. In particular, it will:

Performance and service delivery

a) Monitor and scrutinise the performance of the Council in the execution of its functions and delivery of services against business and improvement plans.

b) Make decisions within the Council's budget and overall policy framework on the delivery and performance of services, save for where provision is made in the terms of reference of another Committee or in the Scheme of Delegation, with particular attention to the Corporate Priorities.

Governance

c) Ensure the effective development and operation of corporate governance within the Council, including compliance with best practice.

d) Review the operation of the Council's Constitution and recommend to the Council on any changes identified.

e) Review and recommend to the Council on Financial Regulations, Financial Procedures and Contract Procedure Rules.

f) Consult the Joint Standards Committee in connection with the review of any codes or protocols relating to the ethical framework.

g) Review issues raised by the Council's statutory officers and Corporate Lead Officers.

h) Undertake and implement the outcome of Community Governance Reviews.

Audit and risk

i) Review the internal audit arrangements within the Authority, enhance the profile, status and authority of the Internal Audit function, and demonstrate its independence.

j) Approve (but not direct) the Internal Audit Plan and Strategy, and monitor progress against plans and delivery of the Internal Audit service, ensuring that co-ordination of effort between internal and external audit is maximised.

k) Receive the annual report and opinion of the Officer responsible for Internal Audit and consider the level of assurance given in respect of the Council's corporate governance arrangements.

l) Receive and consider summary Internal Audit reviews and reports, including reports of agreed recommendations not implemented within reasonable timescales, and seek assurance that action has been taken where necessary.

m) Monitor the effective development and operation of risk management and corporate governance in the Council, and seek assurance that action is being taken on issues identified by auditors and inspectors.

n) Ensure that the Council achieves value for money and that satisfactory arrangements are in place to promote economy, efficiency, and effectiveness.

o) Ensure there are effective relationships between Members, Internal and External Auditors, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted.

p) Approve appointment of the external auditor and the external audit plan.

q) Receive and consider the reports of external audit and inspection agencies.

r) Review the external auditor's opinion and reports, and monitor management action in response to the issues raised by external audit.

s) Receive and consider reports on the effectiveness of the monitoring and management of arrangements with external suppliers.

t) Consider the effectiveness of the Authority's counter fraud and corruption arrangements (including 'Whistleblowing' and Regulation of Investigatory powers Act 2000 (RIPA)) and promote an anti-fraud culture relating to all the activities of the Council.

u) Approve the Annual Governance Statement on behalf of the Council, ensuring it properly reflects the risk, control and governance environment and any actions required to improve it.

v) Approve the Statement of Accounts.

w) Oversee corporate health and safety issues in relation to the Council's activities.

x) Approve the Risk Management Policy and receive regular reports on risk management and the quarterly corporate risk register.

2. OPERATING PROTOCOL

1 The Committee has a key role to provide independent assurance to the Council on the adequacy of the risk management framework and the associated internal control environment and the extent to which the Council is complying with good corporate governance principles. The Committee independently scrutinises 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 and will oversee the financial reporting process and scrutinise the internal and external audit arrangements and review the overall performance.

2 The Committee will meet at least four times a year and in accordance with arrangements determined by the Council. It will meet separately with the External Auditor as necessary**.**

3 Meetings will normally be attended by the Director of Finance (S151 Officer) and representative(s) from the Council's Internal Audit provider and External Auditors when dealing with audit and risk management matters. Other Members, the Head of Paid Service, Monitoring Officer and Corporate Lead Officers will also have the right to attend.

4 The Committee may require any officer to attend its meetings to provide pertinent information and advice in relation to any internal or external audit report.

5 In all other respects and as appropriate, the Council and Committee Procedure Rules will apply.