

Hambleton District Council

Report To: Audit, Governance and Standards Committee

Date: 20 October 2020

From: Director of Finance and Commercial (s151 Officer)

Subject: **Annual Review of Committee Terms of Reference**

Portfolio Holder: Governance
Councillor Mrs I Sanderson

Wards Affected: All Wards

1.0 Purpose and Background

- 1.1 The purpose of this report is to present to Members the results of a review of this Committee's terms of reference.
- 1.2 The current terms of reference are reproduced at Annex A. These are based upon the model terms of reference recommended by the Chartered Institute of Public Finance (CIPFA) in its publication entitled Audit Committees – Practical Guidance for Local Authorities. They also include terms of reference relating to Standards.
- 1.3 It is considered good practice for the Committee's terms of reference to be reviewed at least annually.
- 1.4 The review has established that the existing terms of reference reflect the Committee's work and are still relevant.

2.0 Risk Analysis

- 2.1 There are no major risks associated with the recommendation in this report.

3.0 Recommendations

- 3.1 It is recommended to Council that:-
 - 1) the annual review of the Audit, Governance and Standards Committee's terms of reference is noted; and
 - 2) the terms of reference for the Audit, Governance and Standards Committee as set out in Annex A be approved.

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Director of Finance and Commercial (s151 officer)

Background papers: None

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**Audit, Governance and Standards Committee and
The Standards Hearings Panel**

Matters which may be determined by the Committee:

Audit & Governance

- Reviewing and approval of 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.
- All aspects of internal audit including:-
 - consideration of the Veritau annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements;
 - consideration of summaries of specific internal audit reports as requested;
 - approval and monitoring of the annual Audit Plan;
 - consideration of reports dealing with the management and performance of the providers of internal audit services;
 - consideration of reports from Veritau on agreed recommendations not implemented within a reasonable timescale;
 - the commissioning of work from Veritau;
- all aspects of external audit, including:-
 - consideration of the external auditor's annual letter, relevant reports and the report to those charged with governance;
 - consideration of specific reports as agreed with the external auditor;
 - commenting on the scope and depth of external audit work and to ensure that it gives value for money;
 - shall be consulted upon and make recommendations concerning the appointment of the Council's external auditors;
 - the commissioning of work from external audit;
 - consideration of the external auditor's report to those charged with governance on issues arising from the audit of accounts;

- Support effective relationships between external audit and internal audit, inspection agencies and other relevant bodies, and encourage the active promotion of the value of the audit process.
- The review of any issue referred to it by the Chief Executive or the Deputy Chief Executive, or any Council body.
- Consider the effectiveness of the authority's risk management arrangements and the control environment. Review the risk profile of the organisation and assurances that action is being taken on risk-related issues, including partnerships with other organisations.
- Monitor the effectiveness of the control environment, including arrangements for ensuring value for money and for managing the authority's exposure to the risks of fraud and corruption.
- All aspects of counter fraud and anti-corruption, including:-
 - monitoring of Council policies on "Raising Concerns at Work" and the anti-fraud and anti-corruption strategy and the Council's complaints process.
 - Overseeing the production of the Authority's Annual Governance Statement to recommend its adoption.
 - Consideration of the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.
- All matters related to the Regulation of Investigatory Powers Act 2000.

Standards:

- To promote and maintain high standards of conduct by Members of the Council.
- To assist Members and co-opted Members of the Council to observe the Council's Code of Conduct.
- To monitor the operation of the Council's Member Code of Conduct and Planning Code.
- To advise, train or arrange training for Members and co-opted Members of the Council on matters relating to the Council's Member Code of Conduct and Planning Code.
- To formulate advice to Members and Officers on declarations of gifts and hospitality. To monitor and keep under review the arrangements for recording interests, gifts and hospitality.
- To review arrangements for designating politically restricted posts.

- To review the operation of the Council's complaints procedures.
- To carry out all of the Council's functions under the Local Government Act 2000 in connection with Parish and Town Councils.

Matters for determination by Cabinet:

Audit and Governance:

- Report to Cabinet as it deems necessary on matters of concern.

Matters for determination by Council:

Audit and Governance:

- All aspects of Corporate Governance, including:-
 - reviewing and making recommendations on changes to the Code of Corporate Governance;
 - monitoring compliance with the Code of Corporate Governance;
 - maintaining an overview of the Council's Constitution including those in respect of procurement procedure rules and financial regulations.
- The review and scrutiny of recommendations made by Cabinet to Council in respect of the Council's Annual Treasury Management Policy including the Annual Investment Strategy.

Standards:

- To advise the Council on the adoption or revision of a Code of Member Conduct and Planning Code.
- To formulate and recommend Codes of Conduct for Officers and keep them under review.
- To recommend protocols on Member/employee relations and to review its operation.