

FUTURE ARRANGEMENTS FOR LAGP COMMITTEE

Proposed Change of Name:

Corporate Governance, Audit and Standards Committee

Terms of Reference

Membership

11 Elected Members appointed by the Council (excluding Members of the Cabinet) to reflect the political balance of the Council.

Up to 3 Independent, non-voting co-opted Members invited to attend meetings during discussion on all corporate governance and audit matters.

Statement of Purpose (new)

When carrying out Corporate Governance and Audit functions, the purpose of the Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment, and to oversee the financial reporting process.

General Powers

1. To make appointments of council representatives to Outside Bodies or joint committees of two or more authorities (or to any committee or sub-committee of such a body) and the revocation of any such appointment to a body.
2. To consider and make recommendations to the full Council in relation to the following matters:
 - Amendments to the Council's Standing Orders
 - Conferring the title of honorary alderman or to admit an honorary freeman
 - The making, amendment, revocation or re-enactment of byelaws under any statutory provision
 - Matters related to the name and status of areas
 - Terms under which a Community Governance Review shall be carried out (Sections 81-82 Local Government and Public Involvement in Health Act 2007)
 - The promotion, opposition to or amendment of local or personal Bills (Section 239 of the Local Government Act 1972)
 - Dividing the constituency into polling districts (Section 18, Representation of the People Act, 1983)
 - Dividing electoral divisions into polling districts at local government elections (Section 31 of the Representation of the People Act, 1983)

3. To exercise the Council's functions relating to local government pensions, etc (regulations under Section 7,12 or 24 of the Superannuation Act 1972).
4. Power to make an order identifying a place as a public place for the purposes of police powers to deal with street drinking (Criminal Justice and Police Act 2001).
5. To exercise the Council's powers in relation to the following elections and electoral registration functions:
 - Confirming the appointment of the person designated as the Council's electoral registration officer and returning officer for local government elections
 - To make proposals for pilot schemes for local elections

Governance Risk and Control

6. 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.
7. To approve the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
8. To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the Council.
9. To monitor the effective development and operation of risk management in the Council.
10. To monitor progress in addressing risk-related issues reported to the Committee.
11. To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
12. To review the assessment of fraud risks and potential harm to the Council from fraud and corruption.
13. To monitor the counter-fraud strategy, actions and resources.
14. To review the governance and assurance arrangements for significant partnerships or collaborations.

Internal Audit

15. To approve the internal audit charter.

16. To review 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.
17. To approve significant changes to the risk-based internal audit plan and resource requirements.
18. To make appropriate enquiries of both management and the Executive Head of Finance to determine if there are any inappropriate scope or resource limitations, in respect of carrying out internal audit work.
19. To consider reports on internal audit's performance during the year including:
 - a. 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 Plan and any non-compliance with Public Sector Internal Audit Standards (PSIAS).
20. To consider annual internal audit reports, including;
 - a. The statement on the level of conformance with PSIAS
 - b. The Quality and Assurance Improvement Plan
 - c. 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.
21. To receive summaries of any specific internal reports as requested.
22. To receive reports outlining the action taken where the Executive Head of Finance has concluded that management has accepted a level of risk that may be unacceptable to the Council or there are concerns about progress with the implementation of agreed actions.
23. To provide internal audit unfettered access to the Committee Chairman, including the opportunity for a private meeting with the Committee.

External Audit

24. To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by the Public Sector Audit Appointments (PSAA).
25. To consider the external auditor's annual audit letter, annual audit results report and other relevant reports.
26. To consider the scope and depth of external audit work and ensure it provides value for money.
27. To commission work from internal and external audit.

Financial Reporting

28. To approve the annual Statement of Accounts and consider whether appropriate accounting policies have been followed and whether any concerns arising from the financial statement or from the audit need to be brought to the attention of the Council.
29. To consider the external auditor's report to those charged with governance on any issues arising from the audit of the accounts.

Accountability arrangements

30. To undertake appropriate training in respect of its governance and audit role.
31. To carry out an annual self-assessment in relation to the effectiveness of the Committee in meeting its purpose.
32. Where considered appropriate, to report to Council on any issues concerning the effectiveness of the arrangements in place for governance, risk, and internal control frameworks.

Licensing Powers

33. Responsibility for the licensing functions of the Council:
 - Functions under the Licensing Act 2003 (see Section 4, Paragraph 4.3 for delegation arrangements)
 - Functions under the Gambling Act 2005 (see Section 4, Paragraph 4.4 for delegation arrangements)
 - Taxis, private hire and other vehicles (see Section 4, Paragraph 4.5 for delegation arrangements)
 - All other licensing and registration functions including for caravan sites, food premises registration, animal licensing, charities and street collection permits, street trading consents and scrap metal dealers (see Section 4, Paragraph 4.6 for delegation arrangements)
34. Responsibility for functions and powers relating to smoke free legislation and the Health Act 2006 (see Section 4, Paragraph 4.8 for delegation arrangements).
35. Responsibility for Health and Safety at work (see Section 4, Paragraph 4.7 for delegation arrangements).
36. Responsibility for the powers in sections 4, 8 and 9 of the Hampshire Act, 1983:-
 - s.4 (relating to the registration of hairdressers and barbers and premises occupied by them)
 - s.8 (relating to the control of stray dogs)
 - s.9 (relating to the seizure of horses).

Standards and Members' Code of Conduct Responsibilities

37. To promote and maintain high standards of conduct by councillors and co-opted members of the Council as set out in the Councillors Code of Conduct.
38. To advise the Council on the adoption or revision of the Members' Code of Conduct.
39. To monitor the operation of the Members' Code of Conduct.
40. To make and implement arrangements for dealing with complaints in accordance with the Localism Act, 2011 and any subsequent regulations and guidance.
41. To deal with matters relating to the appointment and activities of the Independent Person(s) within the provision of the Localism Act 2011 and any subsequent regulations and guidance.
42. To grant dispensations to councillors and co-opted members from requirements relating to interests set out in the Code of Conduct.

Ombudsman

43. To keep under review Ombudsman investigations and consider their outcomes where appropriate.

ROLE DESCRIPTIONS

Corporate Governance, Audit and Standards Committee

(1) CHAIRMAN OF COMMITTEE

Responsible to: Council and Members of the Committee

Responsibilities:

- (1) To lead the committee in line with good governance principles.
- (2) To provide confident and effective chairing of meetings which encourages open discussion, full participation, and facilitates clear decision-making.
- (3) To ensure discussion and challenge at meetings is apolitical, objective, and focussed at an appropriate strategic level.
- (4) To develop the Committee's profile and internal influence within the Council.
- (5) To understand the respective roles of Members, officers and external parties operating within the committee's area of responsibility.
- (6) To ensure that s/he has knowledge and understanding of the committee's areas of responsibilities and with an interest in financial and risk management, audit, accounting concepts and standards and the regulatory regime.
- (7) To participate in the training and development programme required of Members of the Committee.
- (8) To ensure that the Committee's work is co-ordinated with other decision-making bodies and is in accordance with the policy framework.
- (9) Where set out in the Scheme of Delegation, to act as a consultee in decisions delegated by the Committee.
- (10) To be responsible for presenting the Committee's proposals and decisions to the Council and the community

Further Role requirements

- (11) To canvass views from Committee Members in advance of meetings with the External Auditor and to help represent views at the meeting.
- (12) To develop effective working relationship with Independent Members of the Committee and seek feedback from meeting participants.
- (13) The ability to challenge the Cabinet and senior managers when required.

ROLE DESCRIPTION

(2) COMMITTEE MEMBER

- (1) To ensure that s/he, has knowledge and understanding of the committee's key areas of responsibility, with an interest in:
 - corporate governance, financial and risk management, internal and external audit activities and the regulatory framework
 - standards and ethics
 - participation in licensing hearings
- (2) Commitment to attend and participate in the training and development programme required of Members of the Committee.
- (3) To understand the respective roles of Members, officers and external parties operating within the committee's area of responsibility.
- (4) To participate effectively, openly and candidly in committee meetings with an objective apolitical approach.
- (5) To be available for daytime licensing hearings as required.
- (6) Promote and maintain high standards of conduct for councillors and help councillors to follow the councillors code of conduct.
- (7) To promote and support good governance by the Council.

Key attributes and skills

- (8) Ability to weigh-up/sort complex evidence.
- (9) Ability to be objective, independent, and impartial.
- (10) Ability to challenge supportively.

ROLE DESCRIPTION – INDEPENDENT PERSON

Responsible to: The Section 151 Officer and Internal Audit Manager

Liaison with: Elected Members of the (Insert name of Committee), Section 151 Officer, (Internal) Audit Manager any other relevant Members and officers and the External Auditors of Rushmoor Borough Council.

Responsibilities

1. To engage fully in collective consideration of all corporate governance and audit matters before the Committee, taking into account a full range of relevant factors, including legislation and supporting regulation (e.g. the Accounts and Audit Regulations 2015), professional guidance (e.g. that issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) or the Chartered Institute of Internal Auditors (IIA)), and the advice of the Council's Section 151 Officer and Audit Manager.
2. To participate fully in the discharge of all audit functions, as set out in the Committee's terms of reference and the constitution.
3. To promote the concept of proportionate, effective risk management and internal control throughout the organisation; and to champion the work of Internal Audit, External Audit and Risk Management.
4. To participate in periodic review of the overall effectiveness of the committee with regards to audit matters, and of its terms of reference.

Audit Independent Person – Skills and Competencies

1. Demonstrates up-to-date knowledge, skill and a depth of experience in the fields of audit, accounting, risk management, corporate governance, and performance management.
2. Operates consistently and without bias.
3. Is an effective role model; supports appropriate behaviours and challenges opinions and advice where appropriate, separating major issues from minor ones.
4. Contributes proactive, proportionate and independent thought, and also collaboration with officers to temper the opinions of Committee Members.
5. Works sensitively with people inside and outside the Committee / Council.
6. Listens to and balances advice.

Must have no personal, legal or contractual relationship with the Council (including employees or Members or former staff), or any other relationship/activity which might represent a conflict of interest.

ELECTED MEMBERS SPECIFIC TRAINING NEEDS – TRAINING MODULES FOR THE FOLLOWING:

	Training Modules/Sessions
<p>Mandatory Introduction and Induction</p>	<p>Induction Session held before first meeting of the year – Introduction: Role and Purpose of the Committee Roles of Sec 151 Officer, MO, Internal Audit Manager, Independent Members Key documents and reports pack for all Committee Members</p>
<p>Knowledge Modules</p> <p><u>Essential</u> Training, which will be arranged by RBC. Members are expected to attend training modules.</p> <p>NB – a couple of these may be combined.</p>	<p>Governance</p> <ul style="list-style-type: none"> ➤ Local Code of Governance and the Annual Governance Statement ➤ Council’s arrangements for upholding standards for Elected Members and staff (separate Code of Conduct Training is essential training provided for all new Members) <p>Risk Management</p> <ul style="list-style-type: none"> ➤ Understanding of the principles of risk management and link to good governance and decision-making ➤ Awareness of the Council’s major risks – major development projects of the Council ➤ Council’s risk management policy ➤ Fraud and corruption risks <p>Financial Management and Accounting</p> <ul style="list-style-type: none"> ➤ Awareness of the Financial Statements that the Council must produce and the principles it must follow to produce them. ➤ Understanding of good financial management principles

	<p>Treasury Management</p> <ul style="list-style-type: none"> ➤ Regulatory requirements ➤ Treasury risks ➤ The Council’s Treasury Management Strategy and policies <p>Internal Audit</p> <ul style="list-style-type: none"> ➤ Awareness of the key principles of the PSIAS (public sector internal audit standards) and Local Government Application Note (LGAN) ➤ Arrangements for delivery of the internal audit service ➤ Difference between internal and external audit roles <p>External Audit</p> <ul style="list-style-type: none"> ➤ Role and functions of external auditor – Invite External Auditors ➤ Key reports and assurances that external audit will provide. ➤ Arrangements for the appointment of auditors ➤ Types of questions that should be asked of external auditors.
	<p>Licensing Hearing Training</p> <p>For all Councillors who will participate in Licensing Hearings</p>
<p>Skills</p>	<ul style="list-style-type: none"> ➤ Chairing skills for chairman and vice-chairman of committee ➤ Potential for joint questioning skills training with OSC Committee Members