

## **Audit and Governance Board**

### **Composition, meetings, and reporting arrangements**

1. The membership of the Board shall not include any members of the Executive Board.
2. The Audit and Governance Board will comprise:
  - Seven elected members in accordance with the current political balance rules.
  - A qualified independent member, who will be a non-voting member.
3. A minimum of three elected members of the Audit and Governance Board must be present for the meeting to be deemed quorate.
4. The Chair and Vice Chair of the Audit and Governance Board will be independent of the Executive Board and will not be a Chair of a Policy and Performance Board.
5. The Audit and Governance Board shall meet four times a year. The Chair of the Board may convene additional meetings as they deem necessary.
6. The Head of Paid Service, the Section 151 Officer, the Monitoring Officer, or the Head of Internal Audit may ask the Chair of the Audit and Governance Board to convene further meetings to discuss issues on which they wish to seek the Board's advice.
7. Meetings will be open to the public, but the public may be excluded where information of an exempt nature is being discussed.
8. The Board, External Audit, and the Head of Internal Audit shall have the opportunity for private discussions without the Section 151 Officer or other officers present if issues need exploring in such a forum.
9. The Chair of the Audit and Governance Board reports to Full Council, as necessary.

### **Statement of purpose**

10. The Board's purpose is to provide an independent and high-level focus on the adequacy of governance, risk, and control arrangements. Its role in ensuring there is sufficient assurance over governance, risk and control gives greater confidence to the Council that those arrangements are effective.
11. The Board has responsibility for oversight of both internal and external audit, together with the financial and governance reports, helping to ensure there are adequate arrangements in place for both internal challenge and public accountability.

12. The Board also has responsibility for oversight of member standards.

### **Powers and duties**

#### **Governance, risk, and control**

13. To review the Council's corporate governance arrangements against the good governance framework, including the ethical framework, and consider the local code of corporate governance.
14. To monitor the effective development and operation of risk management in the Council.
15. To monitor progress in addressing risk-related issues reported to the Board.
16. To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
17. To consider reports on the effectiveness of financial management arrangements including compliance with CIPFA's Financial Management Code.
18. To consider the Council's arrangements to secure value for money, including the Council's procurement arrangements, and review assurances and assessments on the effectiveness of these arrangements.
19. To review the governance and assurance arrangements for significant partnerships or collaborations.

#### **Governance reporting**

20. To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account the Head of Internal Audit's opinion.
21. To consider whether the annual evaluation of the Annual Governance Statement fairly concludes that the arrangements are fit for purpose, supporting the achievement of the Council's objectives.

#### **Financial reporting**

22. To monitor the arrangements and preparations for financial reporting to ensure that statutory requirements and professional standards can be met.
23. To review and approve the annual statement of accounts and specifically to consider whether appropriate accounting policies have been followed, and whether there are concerns arising from the financial statements or audit process that need to be brought to the attention of the Council.

24. To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

### **External Audit**

25. To recommend to Full Council the appointment of the Council's External Auditors under the Local Audit and Accountability Act 2014 and provide assurance that the External Audit team's independence is safeguarded.
26. To consider the External Auditor's annual letter, relevant reports, and the report to those charged with governance.
27. To consider specific reports as agreed with the External Auditor.
28. To support the quality and depth of external audit process and to ensure that it gives value for money.
29. To commission additional work from external audit as required.
30. To advise and recommend on the effectiveness of relationships between external audit and internal audit, and other inspection agencies or relevant bodies.

### **Internal Audit**

31. To approve the internal audit charter.
32. To review proposals made in relation to the provision of internal audit services and to make recommendations
33. To approve the risk-based internal audit plan, including internal audit's resource requirement, the approach to using other sources of assurance, and any work required to place reliance upon those other sources.
34. To approve significant interim changes to the risk-based internal audit plan and resource requirements.
35. To make appropriate enquiries of both management and the Head of Internal Audit to determine if there are any inappropriate scope or resource limitations.
36. To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Head of Internal Audit. To approve and periodically review safeguards to limit such impairments.
37. To consider reports from the Head of Internal Audit on internal audit's performance, including the performance of external providers of internal audit services if applicable. This will include:
  - Updates on the work of internal audit including key findings, issues of concern, and action in hand as a result of internal audit work

- Reports on the results of the Quality Assurance and Improvement Programme
  - Reports on instances where the internal audit function does not conform to the Public Sector Internal Audit Standards and Local Government Application
38. To consider the Head of Internal Audit's annual report, specifically:
- 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 (to provide assurance over the reliability of the conclusions of internal audit)
  - 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 (to assist the Board in reviewing the Annual Governance Statement)
39. To consider summaries of specific internal audit reports.
40. 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 Council, or there are concerns about progress with the implementation of agreed actions.
41. To contribute to the external assessment of internal audit that takes place at least once every five years.
42. To support the development of effective communication with the Head of Internal Audit, including providing free and unfettered access to the Chair of the Audit and Governance Board.

### **Counter fraud and corruption**

43. To review the assessment of risks and potential harm to the Council from fraud and corruption.
44. To review, approve and monitor the Council's counter-fraud policies and strategies, counter fraud activity, and associated resourcing.

### **Standards**

45. To promote and maintain high standards of conduct by the members and co opted members of the authority.
46. To assist members and co-opted members of the authority to observe the authority's Code of Conduct.
47. To advise the authority on the adoption or revision of the Code of Conduct.

48. To monitor the operation of the authority's Code of Conduct.
49. To advise, train or arrange to train members of the authority on matters relating to the authority's Code of Conduct.
50. To maintain a Hearings Panel (comprised of 3 members of the Board drawn from 2 political groups if possible) to hear allegations made against an Elected Member or a Parish Councillor within the Borough Council's area.
51. To investigate or arrange investigation of any complaints made by Members, Officers, or members of the public in relation to the authority's Code of Conduct.
52. To decide disciplinary matters within the competence of the Committee.
53. To consider applications from local authority employees for exemption from political restriction in respect of their posts.
54. Where appropriate, to issue directions requiring a local authority to include a post in the list of politically restricted posts it maintains.
55. To give general advice, following consultation with appropriate parties, on the application of criteria for designation of a politically restricted post.
56. To consider applications for dispensations from Members where appropriate.