

Governance Committee Terms of Reference Comparison

Appendix A

Governance Committee Current Terms of Reference	Model CIPFA Terms of Reference
	<p><u>Statement of Purpose</u></p> <p>The Committees 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 all those charged with governance that those arrangements are effective.</p> <p>The committee has 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.</p>
<p>To oversee the production of the authority’s Code of Corporate Governance and to recommend its adoption. (RF 5.)</p> <p>To consider the Council’s arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice. (RF 6.)</p>	<p><u>Governance Risk and Control</u></p> <p>To review the council’s corporate governance arrangements against the good governance framework, including the ethical framework, and consider the local code of governance.</p>
<p>To monitor the effective development and operation of risk management and corporate governance in the council. (RF 3.)</p>	<p>To monitor the effective development and operation of risk management in the council.</p>
	<p>To monitor progress in addressing risk-related issues reported to the committee.</p>

Governance Committee Terms of Reference Comparison

Appendix A

To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale. (AA 4.)	To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
	To consider reports on the effectiveness of financial management arrangements, including compliance with CIPFA's Financial Management Code.
	To consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
To monitor Council policies on 'raising concerns at work' and the anti-fraud and corruption strategy and the Council's complaints process. (RF 4.)	To review the assessment of fraud risks and potential harm to the council from fraud and corruption.
	To monitor the counter fraud strategy, actions and resources.
	To review the governance and assurance arrangements for significant partnerships or collaborations.
To maintain an overview of the Council's constitution in respect of contract procedure rules, financial regulations and codes of conduct and behaviour. (RF1.)	To remain
To review any issue referred to it by the Chief Executive, a Statutory Officer or a Director, or any Council Body. (RF 2.)	To be removed
	<u>Financial and Governance Reporting</u>
	<u>Governance Reporting</u>

Governance Committee Terms of Reference Comparison

Appendix A

	To review the AGS prior to approval and consider whether it properly reflects the risk environment and supporting assurances, including the head of internal audit's annual opinion.
	To consider whether the annual evaluation for the AGS fairly concludes that governance arrangements are fit for purpose, supporting the achievement of the authority's objectives.
To consider the Council's compliance with its own and other published standards and controls. (RF 7.)	<u>Financial reporting</u> To monitor the arrangements and preparations for financial reporting to ensure that statutory requirements and professional standards can be met.
To approve the annual statement accounts and report of this Council (with delegated power). 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. (RF 7a.)	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.
To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts. (RF 7b.)	To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.
	<u>Arrangements for Audit and Assurance</u> To consider the council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.
	<u>External Audit</u> To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review

Governance Committee Terms of Reference Comparison

Appendix A

	of any issues raised by PSAA or the authority's auditor panel as appropriate.
To consider the external auditor's annual letter, relevant reports and the report to those charged with governance. (AA 5.)	To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.
To consider specific reports as agreed with the external auditor. (AA 6.)	To consider specific reports as agreed with the external auditor.
To comment on the scope and depth of external audit work and to ensure it gives value for money. (AA 7.)	To comment on the scope and depth of external audit work and to ensure it gives value for money.
	To consider additional commissions of work from external audit.
	To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.
	To provide free and unfettered access to the audit committee chair for the auditors, including the opportunity for a private meeting with the committee.
To oversee the arrangements for the appointment of the Council's external auditor. (AA 8.)	To remove
To commission work from the internal and external audit. (AA 9.)	To remove
	<u>Internal audit</u> To approve the internal audit charter.
	To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.

Governance Committee Terms of Reference Comparison

Appendix A

	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.
	To approve significant interim changes to the risk-based internal audit plan and resource requirements.
	To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.
	To consider any impairments to the independence or objectivity of the head of internal audit arising from additional roles or responsibilities outside of internal auditing and to approve and periodically review safeguards to limit such impairments.
To consider reports dealing with the management and performance of the providers of internal audit services. (AA 3.)	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: <ul style="list-style-type: none"> – updates on the work of internal audit, including key findings, issues of concern and action in hand as a result of internal audit work – regular reports on the results of the QAIP – reports on instances where the internal audit function does not conform to the PSIAS and LGAN, considering whether the non-conformance is significant enough that it must be included in the AGS.
To consider the Audit and Risk Managers 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. (AA 1.)	To consider the head of internal audit's annual report, including: <ul style="list-style-type: none"> – the statement of the level of conformance with the PSIAS and LGAN and the results of the QAIP that support the statement (these will indicate the reliability of the conclusions of internal audit)

Governance Committee Terms of Reference Comparison

Appendix A

	<ul style="list-style-type: none"> – 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 AGS).
To consider summaries of specific internal audit reports as requested. (AA 2.)	To consider summaries of specific internal audit reports as requested.
	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.
	To contribute to the QAIP and in particular to the external quality assessment of internal audit that takes place at least once every five years.
	To consider a report on the effectiveness of internal audit to support the AGS where required to do so by the accounts and audit regulations.
	To provide free and unfettered access to the audit committee chair for the head of internal audit, including the opportunity for a private meeting with the committee.
	<p><u>Accountability Arrangements</u></p> <p>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.</p>
	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.

Governance Committee Terms of Reference Comparison

Appendix A

	To publish an annual report on the work of the committee, including a conclusion on the compliance with the CIPFA Position Statement.
<u>Standards</u>	
To review and recommend amendments to the Council's Code of Conduct for Members and procedure for dealing with complaints. (S 1.)	
To receive and hear and make decisions on standards complaints following investigation. (S 2.)	
To hear appeals against decisions made at a hearing of a standards complaint. (S 3.)	
To report sanctions imposed on Members to full Council. (S 4.)	