

AUDIT AND GOVERNANCE COMMITTEE

A REMIT AND POWERS

- 1 (a) To undertake a corporate overview of the Council's control environment, including financial controls, corporate governance and risk management.
- (b) To develop an anti-fraud culture within the Council to ensure the highest standards of probity and public accountability.
- (c) To review with management, the adequacy of the policies and practices in operation to ensure compliance with relevant statutes, directions, standards or codes of corporate governance.
- (d) To develop a culture within the council of good corporate governance and to promote awareness of and compliance with the principles of good corporate governance within the council.
- (e) To consider on referral each year from the Council Executive the annual report by the Chief Legal Officer in relation to compliance with the council's Local Code of Corporate Governance.
- (f) To review, scrutinise and monitor on an ongoing basis the council's compliance with the Local Code of Corporate Governance, in particular to identify areas of weakness or concern and the steps taken by management to address those.
- (g) To review and monitor the council's systems for the management of the Local Code of Corporate Governance and reporting arrangements and ensure they are adequate and cost effective.
- (h) To give consideration to internal and external reports which identify issues in relation to corporate governance, to scrutinise action plans for compliance, and to ensure that such action plans are implemented by management.
- (i) To consider on referral from time to time by any council body any other matters relating to corporate governance and the council's compliance with its principles and own Local Code.
- (j) To make recommendations to full council, council committee or management in relation to any of the matters within its remit in relation to corporate governance.
- (k) To develop a culture within the council of risk awareness and risk management.
- (l) To review and monitor the council's strategy and systems for the management of risk and relevant reporting arrangements and ensure they are adequate and cost effective.
- (m) To give consideration to internal and external reports which identify issues in relation to risk and risk management, to scrutinise action plans for compliance, and to ensure that such action plans are implemented by management.
- (n) To make recommendations to full council, council committee or management in

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relation to any of the matters within its remit in relation to risk and risk management.

(o) To commission special investigations on the Committee's behalf on matters of particular concern relating to internal controls and value for money.

(p) To evaluate the arrangements in place for securing the economical, efficient and effective management of the Council's resources.

(q) To determine the scope of the annual Internal Audit Plan, and consider the External Audit Planning Memorandum.

(r) To give consideration to internal and external audit reports which identify deficiencies in relation to the internal controls in operation and ensure that management implement the recommendations incorporated within the audit report action plans by the agreed date.

(s) To redirect internal audit resources as and when deemed appropriate.

(t) To monitor the overall performance of the Internal Audit Service in terms of productivity, effectiveness, customers' satisfaction etc.

(u) To review the External Auditor's annual report and management's response.

(v) To maintain an effective working relationship with external audit.

2 In pursuing its remit the Committee has the following powers:-

(a) To require Internal Audit to obtain documents and information relevant to the Committee's role and remit.

(b) To have the right to call any Elected Member or officer before the Committee.

(c) To take decisions in relation to all aspects of the Committee's remit, subject to the Committee not taking decisions which will change or conflict with council policy or commit the Council to significant expenditure, although the Committee may make recommendations to the Council on policy matters or expenditure.

B MEMBERSHIP

1 5 elected members to be appointed by the Council.

2 1 lay member to be appointed by the Council after a recommendation from an interview panel chaired by the Chair of this Committee.

3 The lay member shall not be entitled to move or second motions or amendments and shall not be entitled to vote.

C QUORUM

1 3 members.

D SUBSTITUTES

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- 1 Substitutes allowed for elected members, drawn from all Elected Members of the Council.
- 2 No substitute is allowed for the lay member.

E MEETINGS

- 1 Four scheduled meetings per year, one in each second cycle of meetings.

F REPORTING ARRANGEMENTS

- 1 Minutes to be reported to and approved at the next meeting of the Committee.
- 2 Minutes to be reported to the Council for noting.

G MISCELLANEOUS

- 1 The Committee's role is to review and monitor all of the Council's activities in relation to the following areas of corporate governance:-
 - (a) Reviewing and promoting the Council's system of internal control, both financial and otherwise, aimed at ensuring that the Council's activities are carried out in an orderly and efficient manner, and that its assets are safeguarded,
 - (b) Evaluation of the Council's control environment, including measures to prevent and detect fraud,
 - (c) Monitoring the independence and effectiveness of internal and external audit.
- 2 Issues will be referred to the Committee by the Council, a Committee or an appropriate officer for due consideration.
- 3 The lay (non-councillor) member is to be appointed at a meeting of full council following a recommendation from a recruitment panel comprised of the Chair of this Committee, the Audit and Risk Manager, and a member of the committee from outwith the Administration. The lay member is a non-voting member with a period of appointment of three years, and is required to agree to be bound by the principles of the Councillors' Code of Conduct. At the end of the three year period, council will be asked to offer to extend the appointment for another three years or to re-advertise. If necessary for any reason, the council will terminate the appointment early.