

Committee: Council

Agenda Item

Date: 16 May 2017

10 (i)

Title: Governance, Audit and Performance
Committee: Proposed Terms of Reference

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Services

Item for decision

Summary

1. On 4 April, Council approved the proposal to constitute the Performance and Audit Committee as a committee of the Council, rather than as a scrutiny committee. Council further resolved:
 - That members agree to the expanded remit of the Committee, subject to approval of detailed terms of reference at the Annual Council Meeting on 16 May 2017.
 - That the Committee is known as the Governance, Audit and Performance Committee.
 - That the roles of the Constitution Working Party and the Electoral Working Group are taken over by the GAP Committee from the date of the Annual Council Meeting and are dissolved.
 - That the Monitoring Officer is given delegated authority to make necessary consequential drafting changes to the Constitution.

This report recommends detailed terms of reference for the GAP Committee.

Recommendations

2. That the Council approves the terms of reference for the Governance, Audit and Performance Committee set out in the Appendix.

Financial Implications

3. None

Background Papers

4. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

Report to Council meeting on 4 April: Proposal for changes to Audit and Performance Committee

Impact

5.

Communication/Consultation	The Constitution Working Group considered the proposal to Council before the meeting of 4 April. Council has approved the proposal subject to approval of detailed terms of reference
Community Safety	None.
Equalities	None.
Health and Safety	None.
Human Rights/Legal Implications	None.
Sustainability	None.
Ward-specific impacts	None.
Workforce/Workplace	None.

Situation

6. Proposed terms of reference are set out in the Appendix. They combine the existing functions of the Performance and Audit Committee set out in Article 6 of the Constitution (page (2)-20 onwards) with the “Committee” functions given to full Council and set out on pages (3)-9 to (3)-11 of the Constitution. The “governance” functions. They also add responsibility for recommending changes to the Constitution, currently the responsibility of the Constitution Working Group.
7. The terms of reference do not include any delegations to the new Committee to carry out governance functions on behalf of the Council. A scheme of delegation to the Committee can be considered at a future meeting. Delegations to officers will remain unchanged, at least until any further consideration.
8. On 4 April, the Council gave the Monitoring Officer delegated authority to make necessary consequential drafting changes to the Constitution. These will primarily involve:
 - Removing references to the Performance and Audit Committee in Article 6 (page (2)-20 onwards) and in the Overview and Scrutiny Procedure Rules page (4)-56 onwards.
 - Adding the terms of reference of the GAP Committee, once approved, to Part 3 of the Constitution – Delegation of Council Functions. Page (3)-18 onwards.

- Amending Article 15 (Page (2)-46 (“Review and Revision of the Constitution”) to refer to the Governance, Audit and Performance Committee instead of the Constitution Working Group.

Risk Analysis

9.

Risk	Likelihood	Impact	Mitigating actions
That the terms of reference of an expanded Governance, Audit and Performance Committee are insufficiently clear.	2	3	Approval by the Council of detailed terms of reference at this meeting and a scheme of delegation at a future meeting.

- 1 = Little or no risk or impact
- 2 = Some risk or impact – action may be necessary.
- 3 = Significant risk or impact – action required
- 4 = Near certainty of risk occurring, catastrophic effect or failure of project.

Appendix

The functions of the Council referred to below are delegated to the Governance, Audit and Performance Committee

1. To monitor the performance of the Council and progress against improvement plans; to oversee the Council's internal audit and risk functions; to receive and approve external audit reports; to scrutinize and approve the annual statement of accounts; to make reports and recommendations to the executive, committees and the Council as a whole on its performance management and corporate governance as appropriate.
2. To consider the Internal Audit Manager's 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.
3. To consider summaries of specific internal audit reports as requested.
4. To consider reports dealing with the management and performance of the providers of internal audit services.
5. To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.
6. To consider the external auditor's Annual Letter, relevant reports, and reports to those charged with governance.
7. To consider specific reports as agreed with the external auditor.
8. To comment on the scope and depth of external audit work and to ensure it gives value for money.
9. To liaise with the Audit Commission over the appointment of the Council's external auditor and to be responsible for appointing the external auditor under any successor arrangements.
10. To commission work from internal and external audit.
11. To maintain an overview of the Council's contract procedure rules and financial regulations and to monitor compliance therewith.

12. To review any issue referred to it by the Chief Executive or a Director, or any Council body.
13. To monitor the effective development and operation of risk management and corporate governance in the Council.
14. To monitor council policies on whistleblowing and the anti-fraud and corruption strategy and the Council's complaints process;
15. To oversee the production of the authority's Annual Governance Statement and to recommend its adoption;
16. To oversee the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.
17. To monitor the Council's compliance with its own and other published standards and controls.
18. To review and approve the annual statement of accounts for publication. 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.
19. To consider the external auditor's report to those charged with governance issues arising from the audit of the accounts.
20. To make recommendations to the Full Council on its discharge of the following functions, subject to powers delegated to officers:
 - a. Duty to appoint an electoral registration officer
 - b. Power to assign officers in relation to the requisitions of the registration officer
 - c. Duty to appoint a Returning Officer for local government elections
 - d. Duty to provide assistance at European Parliamentary Elections
 - e. Power to pay expenses properly incurred by electoral registration officers
 - f. Power to make temporary appointments to parish councils
 - g. Power to submit proposals to the Secretary of State for a pilot scheme for local elections
 - h. Duty to consult on a change of scheme for elections
 - i. Power to alter the years of ordinary elections of parish councillors

- j. Functions relating to the change of name of an electoral area
- k. Power to change the name of the district
- l. Power to confer the title of Honorary Alderman or to grant the freedom of the district
- m. Power to petition for a charter to confer borough status
- n. Power to make, amend, revoke, re-enact or enforce byelaws
- o. Power to promote or oppose local or personal bills
- p. Functions relating to local government pensions etc
- q. Power to make standing orders including standing orders as to contracts
- r. Power to appoint staff and to determine the terms and conditions upon which they hold office
- s. Duty make arrangements for the proper administration of financial affairs etc under s.151 Local Government Act 1972
- t. Power to appoint "proper officers"
- u. Duties with regard to the appointment of a Head of Paid Service and Monitoring Office
- v. Power to adopt a scheme permitting co-opted members of overview and scrutiny committees to vote under paragraphs 12 and 14 schedule 1 Local Government Act 2000
- w. Government Act 2000
- x. Power to make payments or provide benefits in cases of maladministration
- y. Duty to adopt a code of conduct for members under the Localism Act 2011
- z. Power to dissolve small parish councils
- aa. Power to make orders for grouping parishes, dissolving groups and separating parishes from groups
- bb. The division of the constituency into polling districts
- cc. Power to divide electoral divisions into polling districts at local government elections
- dd. Powers in respect of holding elections
- ee. Power to fill vacancies on parish councils in the event of insufficient nominations
- ff. Declaration of vacancy in office in certain cases
- gg. Giving notice of casual vacancies in office
- hh. Duties relating to publicity under the Local Government and Public Involvement in Health Act 2007
- ii. Duties relating to notice to the electoral commission
- jj. Power to change the name of a parish
- kk. All powers and duties exercisable in connection with community governance reviews and petitions