

Appendix – Governance and Audit Committee Terms of Reference with proposed changes marked.

Governance and Audit Committee

- 17.2 Membership: (TBC)
- 17.3 **Political Groups should only nominate Members as regular Members or as substitutes on the Governance and Audit Committee (and on Panels of the Committee) if they have had training in the relevant procedures.**
- 17.4 The purpose of this Committee is to:
- (a) ensure the Council's financial affairs are properly and efficiently conducted; and
 - (b) review assurance as to the adequacy of the risk management and governance framework and the associated control environment; **and**
 - (c) receive ongoing assurance and information to enable the effective scrutiny and oversight of the executive decision-making around shareholder strategy regarding companies in which the Council has an interest**
- 17.5 The Governance and Audit Committee is responsible for ensuring that:
- (a) risk management and internal control systems are in place that are adequate for purpose and effectively and efficiently operated,
 - (b) the Council's corporate governance framework meets recommended practice, is embedded across the whole Council and is operating throughout the year with no significant lapses,
 - (c) the Council's Internal Audit function is independent of the activities it audits, is effective, has sufficient experience and expertise and the scope of work to be carried out is appropriate,
 - (d) the appointment and remuneration of external auditors is approved in accordance with relevant legislation and guidance, and the function is independent and objective,
 - (e) the external audit process is effective, taking into account relevant professional and regulatory requirements, and is undertaken in liaison with Internal Audit,

- (f) the Council's financial statements (including the pension fund accounts) comply with relevant legislation and guidance and the associated financial reporting processes are effective,
- (g) any public statements in relation to the Council's financial performance are accurate and the financial judgements contained within those statements are sound,
- (h) accounting policies are appropriately applied across the Council,
- (i) the Council has a robust counter-fraud culture backed by well designed and implemented controls and procedures which define the roles of management and Internal Audit, and
- (j) the Council monitors the implementation of the Bribery Act policy to ensure that it is followed at all times.

(k) the Council has appropriate governance arrangements in place to manage the relationship between the Council and any company in which the Council has majority control

(l) the Council has appropriate arrangements in place to ensure that the commercial opportunities and risks presented through company ownership are managed effectively