

AUDIT AND GOVERNANCE COMMITTEE – DRAFT CONSTITUTION

1. Title

The Committee should be entitled “Audit and Governance Committee” of Epping Forest District Council.

2. Purpose

The purpose of the Audit and Governance Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority’s financial and non-financial performance to the extent that it affects the authority’s exposure to risk and weakens the control environment, and to oversee the financial reporting process.

3. Authority

The Committee is authorised by the Council to:

- (a) Investigate, or cause to be investigated, any activity within its terms of reference;
- (b) Seek any information that it requires from any Member or employee of the Council, and require all Members and employees to co-operate with any request made by the Committee;
- (c) Meet for despatch of its business, adjourn and otherwise regulate its business as it shall see fit, including approving items of business by the written resolution procedure set out in the Council’s Constitution.

4. Role and Responsibilities

The Audit and Governance Committee will have the following role and function:-

- (a) To consider the effectiveness of the Council's Risk Management arrangements, the control environmental and associated anti-fraud and anti-corruption arrangements.
- (b) To seek assurances that action is being taken on risk related issues, identified by Auditors and Inspectors.
- (c) To be satisfied that the Council's Assurance Statements, including the Statement on Internal Control, properly reflect the risk environment and any actions required to improve it.
- (d) To agree the Council's Internal Audit Strategy Plan, Annual Audit Plan and monitor performance against all associated plans.

- (e) To review summary Internal Audit reports and the main issues arising and seek assurance that action has been taken where necessary.
- (f) To receive an Annual Report from the Chief Internal Auditor.
- (g) To ensure that there are effective relationships between External and Internal Audit, Inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted.
- (h) To review financial statements, including the Council's Statement of Accounts, External Auditor's opinion and reports to Members, and monitor management action in response to the issues raised by External Audit.
- (i) Review, and challenge where necessary, the actions and judgements of Management, in relation to the Council's Statement of Accounts, paying particular attention to:
 - (i) critical accounting policies and practices, and any changes to them;
 - (ii) decisions requiring a major element of judgement;
 - (iii) the extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed;
 - (iv) significant adjustments resulting from the audit; and
 - (v) any material weakness in internal control reported by the Internal or External Auditor.
- (j) Consider other reports of External Audit and inspection agencies which are relevant to the functions of the Committee.
- (k) Briefing meetings for members of the Committee will be held as and when necessary separately and at least once a year with the External Auditor and Chief Internal Auditor.
- (l) To consider performance and best value issues to the extent that they relate to the audit and control environment and risk management issues of the Council.

5. Membership

- 5.1 The Committee shall comprise 5 members, including 3 Councillors and 2 co-opted persons.
- 5.2 All members of the Committee shall be appointed at the annual Council meeting of Epping Forest District Council for a term of office of one year and shall be eligible for re-appointment for further terms of office.
- 5.3 Casual vacancies on the Committee which occur shall be filled at the next available Council meeting with a term of office expiring on the date of the next annual Council meeting.

6. Eligibility for membership

6.1 Councillor members

Councillors appointed to the Audit and Governance Committee may not also be members of the Cabinet, any Cabinet Committee, or any panel appointed by the Overview and Scrutiny Committee with responsibility for reviewing the Council's finances or financial procedures.

6.2 Co-opted members

Co-opted members shall be appointed by the Council on the basis of their professional expertise, experience and background as relevant to the role and responsibilities of the Audit and Governance Committee. Initial appointments of co-opted members and the filling of casual vacancies shall be made following public advertisement and interviews, the latter conducted in accordance with arrangements agreed by the Council. If the number of suitable applicants exceeds the number of co-opted places on the Committee, the Council shall keep a waiting list of suitable applicants should casual vacancies occur.

7. Chairman

7.1 The Chairman of the Audit and Governance Committee shall be appointed at each annual meeting of the Epping Forest District Council from the District Councillors appointed as members of the Committee.

7.2 The Chairman of the Audit and Governance Committee shall be appointed for an initial term of one year expiring on the date of the next annual Council meeting but will be eligible for reappointment for further terms of office.

7.3 Casual vacancies in the position of Chairman shall be filled in the same way as required in respect of members of the Committee (see paragraph 5.3 above).

8. Vice-Chairman

8.1 The Vice-Chairman of the Audit and Governance Committee shall be appointed at the Annual Council meeting from among the co-opted members appointed to the Committee.

9. Meetings of the Committee

9.1 The Committee shall meet at least four times each year.

9.2 All meetings shall be open to the press and public except where the Committee resolves that exempt or confidential business must be considered in private session.

- 9.3 The Committee shall be entitled to require any Member, Heads of Service, their representatives or any other officer to attend their meetings in order to discuss any matters under discussion including the annual audit programme.

10. Quorum

- 10.1 No business may be transacted at a meeting of the Committee unless there are two Councillor members and one co-opted member present.

11. Decision Making

- 11.1 Only the Councillors serving on the Committee shall be entitled to vote.
- 11.2 Co-opted members shall not be entitled to vote but, in all other respects, shall be entitled to all documents, advice and facilities relevant to their membership of the Committee.

12. Other requirements

- 12.1 All members of the Committee shall respect the confidentiality of Council information and proceedings where appropriate, particularly where exempt or confidential business is involved.
- 12.2 All co-opted members of the Committee shall be required to make a statutory registration of interests in the same form as those required of serving councillors and to be aware at all times of the requirement to clear any interest relating to their work on the Committee.