

## Terms of Reference – Audit & Regulatory Committee

### **Composition**

- 1 The Audit & Regulatory Committee shall consist of the following membership:
  - 9 councillors appointed by the Council for such term of office as determined by the Council.
  - 3 independent non-voting members appointed to attend and participate at committee meetings.
- 2 The Committee shall report direct to Council on the matters contained in its Terms of Reference (below) in accordance with the Council's Constitution and Procedure Rules contained therein.
- 3 The Committee may:
  - appoint a sub-committee of three elected members to deal with urgent and minor matters within the Committee's terms of reference.
  - appoint a special panel of elected members with full delegated powers to take a decision on a planning application made by the Council where the Development Control Committee is minded to refuse it.
  - appoint a sub-committee of six elected members to make recommendations relating to the operation of the Council's Constitution.

### **Statement of Purpose**

- 1 The Audit & Regulatory Committee is a key component of High Peak Borough Council's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
- 2 The purpose of the Audit & Regulatory Committee is to provide independent assurance to the members of the adequacy of the risk management framework and the internal control environment. It provides independent review of High Peak Borough Council's governance, risk management and control frameworks and oversees the financial reporting and annual

governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

- 3 The Committee has responsibility for other matters including elections, the Name and status of areas and individuals, parish/town councils, by-laws and orders and other regulatory issues.

### **Governance, risk and control**

- 1 To review the council's corporate governance arrangements against the good governance framework, including the ethical framework and consider the local code of governance.
- 2 To review and approve the Annual Governance Statement and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control.
- 3 To consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- 4 To consider the council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.
- 5 To approve the risk management strategy and monitor the effective development and operation of risk management in the council.
- 6 To monitor progress in addressing risk-related issues reported to the committee.
- 7 To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- 8 To review the assessment of fraud risks and potential harm to the council from fraud and corruption.
- 9 To approve and monitor the counter-fraud and corruption strategy and whistleblowing policy, actions and resources.
- 10 To approve the Regulation of Investigatory Powers Act 2000 (RIPA) policy and procedures and monitor the Council's use of RIPA powers.
- 11 To recommend to Council the approval of the Annual Treasury Management Strategy and Annual Treasury Management Report and scrutinise all treasury management reports.

## **Internal audit**

- 1 To approve the internal audit charter.
- 2 To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.
- 3 To approve the risk-based internal audit plan, including internal audit's resources requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
- 4 To approve significant interim changes to the risk-based internal audit plan and resource requirements.
- 5 To make appropriate enquires of both management and the head of internal audit to determine if there any inappropriate scope or resources limitations.
- 6 To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the head of internal audit. To approve and periodically review safeguards to limit such impairments.
- 7 To consider reports from the head of internal audit on the internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:
  - 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 Quality Assurance and Improvement Programme.
  - Reports on instances where the internal audit function does not conform to the Public Sector Internal Audit Standards and Local Government Application Note, considering whether the non-conformance is significant enough that it must be included in the Annual Governance Statement.
- 8 To consider the head of internal audit's annual report:
  - The statement of the level of conformance with the Public Sector Internal Audit Standards and Local Government Application Note and the results of the Quality Assurance and Improvement Programme that supports the statement – these will indicate the reliability of the conclusions of internal audit.

- 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 Annual Governance Statement.
- 9 To consider summaries of specific internal audit reports as requested.
  - 10 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.
  - 11 To contribute to the Quality Assurance and Improvement Programme and in particular, to the external quality assessment of internal audit that takes place at least once every five years.
  - 12 To consider a report on the effectiveness of internal audit to support the Annual Governance Statement, where required to do so by the Accounts and Audit Regulations.
  - 13 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.

### **External audit**

- 1 To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by PSAA or the authority's auditor panel as appropriate.
- 2 To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
- 3 To consider specific reports as agreed with the external auditor.
- 4 To comment on the scope and depth of external audit work and to ensure it gives value for money.
- 5 To commission work from internal and external audit.
- 6 To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

## **Financial reporting**

- 1 To review and approve 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.
- 2 To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.
- 3 In relation to the approval of the annual statement of accounts, only the elected members of the Council shall be entitled to vote upon any such resolution, in accordance with the relevant statutory provisions concerning the regulation and control of an authority's finances by elected members alone.

## **Accountability arrangements**

- 1 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.
- 2 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.

## **Elections and Parish/Town Councils**

- 1 Duty to appoint an electoral registration officer
- 2 Power to assign officers in relation to requisitions of the registration officer
- 3 Functions in relation to parishes and parish councils
- 4 Power to dissolve parish councils
- 5 Power to make orders for grouping parishes, dissolving groups and separating parishes from groups
- 6 Duty to appoint returning officer for local government elections, referenda and Police Commissioner Elections
- 7 Duty to provide assistance at European Parliamentary elections
- 8 Duty to divide constituency into polling districts

- 9 Power to divide electoral divisions and wards into polling districts at local government elections
- 10 Power to designate polling places
- 11 Powers in respect of holding of elections
- 12 Power to pay expenses properly incurred by electoral registration officers
- 13 Power to fill vacancies in the event of insufficient nominations
- 14 Duty to declare vacancy in office in certain cases
- 15 Duty to give public notice of a casual vacancy
- 16 Power to make temporary appointments to parish councils under Section 91 of the Local Government Act 1972
- 17 Power to determine fees and conditions for supply of copies of, or extracts from, elections documents
- 18 Power to submit proposals to the Secretary of State for an order under section 10 (pilot schemes for local elections in England and Wales) of the Representation of the People Act 2000

#### **Name and status of areas and individuals**

- 1 Power to change the name of the Borough (recommendation to Full Council)
- 2 Power to change the name of a parish (recommendation to Full Council)
- 3 Power to confer title of honorary freeman (recommendation to Full Council)

#### **Byelaws and Orders**

- 1 Power to promote or oppose local or personal Bills and to consider the making of an order identifying a place as a designated public place for the purposes of police powers in relation to alcohol consumption for recommendation to full council for approval

#### **Regulatory Matters**

- 1 Power to make payments or provide other benefits in cases of maladministration etc.
- 2 Power to approve or make recommendations to Full Council with regards to the operation of the Council's Constitution in accordance with Article 14 of the Constitution.

- 3 Any other matter involving a regulatory or quasi judicial, function of the Council which by law cannot be the responsibility of the Executive and for which no other provision is made in the Constitution
- 4 Functions under any of the “relevant statutory provisions” within the meaning of Part 1 (health, safety and welfare in connection with work, and control of dangerous substances) of the Health and Safety at Work etc. Act 1974, to the extent that those functions are discharged otherwise than in the authority’s capacity as an employer
- 5 All regulatory functions under the Derbyshire Act 1981
- 6 The making and revocation of appointments to outside bodies where the appointments relate to Council functions
- 7 Making recommendations to the Council on the nomination of the Mayor
- 8 Matters relating to civic and ceremonial protocol and the mayoralty