

## RIBBLE VALLEY BOROUGH COUNCIL REPORT TO COUNCIL

Agenda Item No.

meeting date: TUESDAY, 17 JULY 2012  
 title: AMENDMENTS TO TERMS OF REFERENCE OF ACCOUNTS AND AUDIT  
 COMMITTEE AND THE LIST OF OUTSIDE BODIES  
 submitted by: MARSHAL SCOTT – CHIEF EXECUTIVE  
 principal author: DIANE RICE – HEAD OF LEGAL AND DEMOCRATIC SERVICES

### 1 PURPOSE

1.1 To seek Committee's approval to amend two matters approved at the Annual meeting namely the Terms of Reference of Accounts and Audit Committee, and the list of Outside Bodies.

1.2 Relevance to the Council's ambitions and priorities:

- Community Objectives – }      The Council seeks to be a well managed Council.
- Corporate Priorities – }      the proposed amendments support the way the
- Other Considerations – }      Council manages its duties.

### 2 ACCOUNTS AND AUDIT COMMITTEE

2.1 The Council's Policy and Finance Committee met on the 12 June 2012 to consider (inter alia)

- the arrangements that the Council intends to make for fulfilling its obligations to promote and maintain high standards of Member conduct
- the arrangements the Council intends to make for investigating complaints that Members have breached the Council's Code of Conduct.

2.2 Prior to the meeting a group of Members considered these matters in detail, and recommended that the Council, rather than having a separate Standards Committee, transferred responsibility for Standards to Accounts and Audit Committee.

2.3 Policy and Finance Committee confirmed this proposal and authorised the Council's Head of Legal and Democratic Services to prepare amended Terms of Reference for Accounts and Audit Committee for submission to Council.

2.4 Attached as Appendix 1 are the Terms of Reference of Accounts and Audit and Standards Committee as approved at the annual meeting on the 15 May 2012. Attached as Appendix 2 are the proposed Terms of Reference of Accounts and Audit Committee.

### 3 OUTSIDE BODIES

3.1 At the annual meeting the Council considered a list of Appointments to Outside Bodies. Since the list was submitted to Council a request has been received to add two additional bodies and confirm the appointment of the Council's representatives on those bodies.

3.2 The additions are as follows:

Ribble Valley Tourism Association – Councillor Joyce Holgate  
Lancashire Tourism Forum – Councillor Joyce Holgate.

### 4 RISK ASSESSMENT

4.1 The approval of this report may have the following implications:

- Resources – No implications identified.
- Technical, Environmental and Legal – No implications identified.
- Political – No implications identified.
- Reputation – No implications identified.
- Equality & Diversity – No implications identified.

### 5 **RECOMMENDED THAT COUNCIL**

5.1 Agree to the amendment of the Terms of Reference for Accounts and Audit Committee as set out at Appendix 2.

5.2 Confirm the addition of two further bodies to the List of Outside Bodies as set out at 3.2 and the appointment to each of Councillor Joyce Holgate.

DIANE RICE  
HEAD OF LEGAL & DEMOCRATIC SERVICES

MARSHAL SCOTT  
CHIEF EXECUTIVE

### BACKGROUND PAPERS

None

For further information please ask for Diane Rice, extension 4418.

REF: DER/CMS/COUNCIL/170712

## **TERMS OF REFERENCE OF ACCOUNTS AND AUDIT COMMITTEE**

- 1 To review all matters relating to Internal and External Audit. The Committee will have the right of access to all information it considers necessary and can consult directly with Internal and External Auditors.
- 2 To monitor arrangements for discharging the Council's responsibilities for efficient and effective financial and operational resource management. In pursuing this aim, it will consider:
  - the soundness, adequacy and application of controls;
  - compliance with policies, procedures and statutory requirements;
  - arrangements for safeguarding the Council's assets and interests;
  - the integrity and reliability of management information and financial records;
  - the economic, efficient and effective use of resources.
- 3 To approve the annual Statement of Accounts and receive the External Auditor's Annual Governance Report.
- 4 To approve the Annual Audit Plan of the External Auditor.
- 5 To monitor the External Auditor's progress with the Annual Audit Plan.
- 6 To approve the Annual Internal Audit Plan.
- 7 To monitor Internal Audit progress with the Annual Audit Plan, evaluating the effectiveness of Internal Audit and the use of Audit resources and where necessary recommending adjustments to the Internal Audit Plan.
- 8 To review and comment upon liaison arrangements between Internal and External Audit with a view to optimising the effective deployment of Audit resources.
- 9 To evaluate the adequacy and effectiveness of the Council's financial and operational policies and procedures including financial and accounting management through discussions with the External Auditors, Internal Auditors, and appropriate officers.
- 10 To receive and review the findings of both External and Internal audit examinations and to ensure that management takes appropriate action to implement agreed recommendations and to remedy any internal accounting, organisational and operational control weaknesses identified.
- 11 To receive and comment upon the annual Internal Audit Report and accept the Annual Governance Statement.
- 12 To annually monitor the effectiveness of the Code of Corporate Governance.
- 13 To refer directly to the Council any matters it shall see fit.

- 14 With the Council's Monitoring Officer, to monitor and review the operation of the Constitution to ensure the aims and principles of the Constitution are given full effect.
- 15 To consider and approve any emergency variations from the Council's Financial Regulations and Contractual Standing Orders.
16. To oversee and then monitor the development and implementation of a comprehensive approach to Risk Management.
17. To review matters of local community concern including partnerships and services provided by 'other' organisations that do not fall within the remit of service committees.
- 18 To receive reports and other evidence from organisations, individuals and partnerships that the Committee or working groups consider relevant to their work.
- 19 To evaluate and monitor performance information and approve annual targets.

POWERS AND DUTIES OF THE COUNCIL AND ITS COMMITTEES

**PART 5: CONSTITUTION OF THE STANDARDS COMMITTEE**

The Annual Council Meeting will establish a Standards Committee.

**1 Composition**

1.1 *Membership*

The Standards Committee will compose of:

- four councillors;
- four persons who are not councillors or officers of the Council or any other body having a standards committee [independent members];
- four members of parish councils wholly or mainly in the Council's area [Parish Members];

1.2 *Independent Members*

Independent members will be entitled to vote at meetings;

1.3 *Parish Members*

At least one parish member must be present when matters relating to parish councils or their members are being considered;

**2 Role and Function**

- 2.1 promoting and maintaining high standards of conduct by councillors and co-opted members;
- 2.2 assisting the councillors and co-opted members to observe the Members' Code of Conduct;
- 2.3 advising the Council on the adoption or revision of the Members' Code of Conduct;
- 2.4 monitoring the operation of the Members' Code of Conduct;
- 2.5 advising, training or arranging to train councillors and co-opted members on matters relating to the Members' Code of Conduct;
- 2.6 granting dispensations to councillors and co-opted members from requirements relating to interests set out in the Members' Code of Conduct;
- 2.7 dealing with any reports from a case tribunal or interim case tribunal and any report from the monitoring officer on any matter which is referred by an ethical standards officer to the monitoring officer.
- 2.8 the exercise of (2.1) to (2.7) above in relation to the parish councils wholly or mainly in its area and the members of those parish councils.

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2. To monitor arrangements for discharging the Council's responsibilities for efficient and effective financial and operational resource management. In pursuing this aim, it will consider:
  - the soundness, adequacy and application of controls;
  - compliance with policies, procedures and statutory requirements;
  - arrangements for safeguarding the Council's assets and interests;
  - the integrity and reliability of management information and financial records;
  - the economic, efficient and effective use of resources.
3. To approve the annual Statement of Accounts and receive the External Auditor's Annual Governance Report.
4. To approve the Annual Audit Plan of the External Auditor.
5. To monitor the External Auditor's progress with the Annual Audit Plan.
6. To approve the Annual Internal Audit Plan.
7. To monitor Internal Audit progress with the Annual Audit Plan, evaluating the effectiveness of Internal Audit and the use of Audit resources and where necessary recommending adjustments to the Internal Audit Plan.
8. To review and comment upon liaison arrangements between Internal and External Audit with a view to optimising the effective deployment of Audit resources.
9. To evaluate the adequacy and effectiveness of the Council's financial and operational policies and procedures including financial and accounting management through discussions with the External Auditors, Internal Auditors, and appropriate officers.
10. To receive and review the findings of both External and Internal audit examinations and to ensure that management takes appropriate action to implement agreed recommendations and to remedy any internal accounting, organisational and operational control weaknesses identified.

11. To receive and comment upon the annual Internal Audit Report and accept the Annual Governance Statement.
12. To annually monitor the effectiveness of the Code of Corporate Governance.
13. With the Council's Monitoring Officer, to monitor and review the operation of the Constitution to ensure the aims and principles of the Constitution are given full effect.
14. To advise and assist the Council on the adoption and revision of the Members' Code of Conduct and monitor the operation of the members' Code of Conduct.
15. To make arrangements to fulfill the Council's duty to promote and maintain high standards of conduct by councilors.
16. To make arrangements to determine complaints relating to a breach of the Council's Code of Conduct or any matter which is referred by the monitoring officer.
17. To grant dispensations to Councillors from the requirements relating to interests set out in the Members' Code of Conduct;
18. To make arrangements to ensure Councillors receive training and advice relating to the Members' Code of Conduct;
19. To consider and approve any emergency variations from the Council's Financial Regulations and Contractual Standing Orders.
20. To oversee and then monitor the development and implementation of a comprehensive approach to Risk Management.
21. To review matters of local community concern including partnerships and services provided by 'other' organisations that do not fall within the remit of service committees.
22. To receive reports and other evidence from organisations, individuals and partnerships that the Committee or working groups consider relevant to their work.
23. To evaluate and monitor performance information and approve annual targets.
24. To refer directly to the Council any matters it shall see fit.

The exercise of (15) (16) and (17) above in relation to the parish councils wholly or mainly in its area and the members of those parish councils.