

# Terms of Reference for Audit & Governance Committee

**Version 6; adopted 25<sup>th</sup> June 2018; re-adopted 16<sup>th</sup> September 2019**

## ***1. Constitution***

- 1.1. The Audit and Governance Committee is constituted as a Committee of the East Preston Parish Council.
- 1.2. The Committee's terms of reference may be amended at any time by the Council. Minor amendments can be made within the committee itself.
- 1.3. The Committee may from time to time investigate, discuss or review matters outside its terms of reference if required to do so by the Council.

## ***2. Authority***

- 2.1. The Committee is authorised by the Council to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any Councillor or employee of the Council and all such are directed to co-operate with any request made by the Committee.
- 2.2. The Committee is authorised by the Council to obtain external legal or other professional advice and to secure the attendance of anyone it considers has relevant experience, expertise or knowledge with the agreement of the Chairman of the Council and the Chairman of the Finance & General Purposes Committee.
- 2.3. The Chairman (or in his or her absence, the Vice-Chairman) will attend regular meetings with the council's tenants – Angmering-on-Sea Lawn Tennis Club, East Preston & Kingston Bowls Club, East Preston & Kingston Village Hall Foundation and East Preston Cricket Club – alongside the Chairman (or Vice-Chairman) of the Council and the Chairmen of the Amenities and Finance & General Purposes Committees.

## ***3. Membership***

- 3.1. The Chairman and Vice-Chairman of the Council and the chairmen of each of the council's committees shall automatically be members of this committee. (Full Council, 9<sup>th</sup> April 2018, Minute 270/18, Resolution 1198) Additionally, space permitting, other committee members shall be appointed by the Council from amongst its members. Chairmen of committees can nominate their Vice-Chairmen to attend on their behalf on occasion.
  - 3.2. The Committee shall elect a Chairman for the year at its first meeting in every council year.
  - 3.3. The Clerk of the Council is Secretary to the Committee.
- N.B. In some years, it may not be possible to finalise the membership of the committee until all other committees have appointed a Chairman.

## ***4. Attendance at Meetings***

- 4.1. The quorum necessary for the transaction of the business of the Committee shall be at least one half of the members or not less than 3.

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4.2. At least once a year the Committee shall have the opportunity to meet with the Internal Auditor.

### ***5. Frequency of meetings***

5.1. Meetings shall be held at least three times a year.

5.2. Additional meetings may be called by the Council or by the Chairman of the Committee.

### ***6. Responsibilities***

- 6.1 To advise the Council on the effectiveness of its corporate governance structures
- 6.2 To ensure the appointment of an Internal Auditor is regularly competed, and to recommend an appointment to Council
- 6.3 To receive a programme of work from the appointed Internal Auditor for the next financial year before the end of each financial year
- 6.4 To consider the adequacy of the Internal Auditor's proposed programme in testing the Council's financial systems
- 6.5 To negotiate with the Internal Auditor any additional work considered necessary and to recommend these additions to Council
- 6.6 To receive and consider reports and recommendations from Internal and External Auditors and recommend replies to Council
- 6.7 To review the Council's Annual Financial Statements and consider if these conform to principles of accountability, clarity and transparency; this should take place after the Finance & General Purposes has approved the year-end accounts and before the Full Council meeting at which the Annual Return is approved
- 6.8 To recommend to Council actions to be taken to rectify any problems with, and effect any improvements to, the Council's financial systems
- 6.9 To carry out spot checks on the Council's financial systems, particularly where these have been recently changed in order to give Council early warning of problems which the Council's auditors may consider significant.
- 6.10 To review placed Purchase Orders issued on behalf of the Council, to check compliance with the Council's Financial Regulations, and to check detailing of the Orders is adequate and sufficient to eliminate doubt regarding the Council's requirements
- 6.11 To audit placed Council tenders, to check compliance with the Council's Financial Regulations, and to check no possibility of bias exists in the management of these tenders and resulting contracts placed
- 6.12 To review regularly the Council's accounting policies, Risk Management System and the financial aspects of the Council's Standing Orders and to recommend improvements to Council
- 6.13 To complete, on behalf of the council, an annual review of the effectiveness of Internal Audit using the form *Internal Audit Review Checklist – Part 2 – Characteristics of Effectiveness*.
- 6.14 To develop an overall strategy for EPPC. This strategy would be of sufficient scope to support:
  - Community-Led Plan
  - Business Plan

Neighbourhood Plan  
Strategy for the land and buildings owned by EPPC  
Emergency Planning  
Road Safety

### ***7. Reporting Procedures***

7.1. The minutes of the Committee shall normally be reported to the next Committee meeting.

7.2. The Chairman of the Committee shall provide a written summary of each meeting for the following Full Council meeting.