



SHDC GOVERNANCE AND AUDIT COMMITTEE TERMS OF REFERENCE

| COUNCIL BODY: | MEMBERSHIP: | FUNCTIONS / TERMS OF REFERENCE: |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Governance and Audit Committee | <p>7 non-Cabinet members, excluding the Chairman of the Council and the Chairman of the Performance Monitoring Panel and Policy Development Panel</p> <p>Quorum 3 (SO 38)</p> <p>Substitutions are not permitted.</p> <p>Up to 2 Co-opted Independent members <i>to be appointed</i>.</p> | <p>The purpose of the Governance and Audit Committee is to monitor governance, risk management and internal control arrangements at the Council, to provide independent assurance that these are effective and efficient.</p> <p>This is achieved through key regular items received by the Committee in relation to, but not limited to; internal and external audit, key finance items, governance reviews and strategic risk management reporting.</p> <p>Internal Audit</p> <ol style="list-style-type: none"> 1. To consider and approve annually the Internal Audit plan of work, considering the scope and depth of the work in addressing the Council's significant risks and issues. 2. To consider the outcomes of the internal audit plan of work and to monitor management's progress in implementing agreed audit recommendations. 3. To consider and approve the Annual Report and Opinion of the Head of Internal Audit, ensuring that the systems of internal control, governance and risk management have been effective and efficient over the course of the year. 4. To consider the performance of the internal auditors in relation to the adherence to the Public Sector Internal Audit Standards. <p>External Audit</p> <ol style="list-style-type: none"> 5. To consider annually the External Audit plan of work. 6. To consider External Audit reports and letters. <p>Accounts / Finance</p> <ol style="list-style-type: none"> 7. To consider the extent of the Council's |

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| | | <p>compliance with its own and other published financial statements and controls.</p> <p>8. To review and approve the annual Statement of Accounts and the Annual Governance Statement contained therein.</p> <p>9. To approve the Council's Treasury Management Strategy & Policy and subsequent performance against this.</p> <p>Risk Management</p> <p>10. To monitor and approve policies for the effective development and operation of risk management and corporate governance in the Council.</p> <p>Governance</p> <p>11. To review the Council's arrangements for governance, with particular regard to the Local Code of Corporate Governance.</p> <p>12. To review allegations from whistleblowers; and to review and approve all Council policies and strategies that relate to the prevention of fraud and corruption including (but not limited to) policies on counter fraud, whistleblowing and money laundering.</p> <p>13. To hold periodic private discussion with the Head of Internal Audit and the External Auditors to review working relationships and discuss any pertinent issues.</p> <p>14. To commission ad-hoc work from internal and external audit.</p> <p>15. To report annually to Full Council on the Committee's work and performance during the financial year.</p> <p>16. To assess the Committee's own effectiveness on an annual basis against best practice.</p> |
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GOVERNANCE AND AUDIT – CALENDAR OF WORK PROGRAMME ITEMS 2024/2025

GOVERNANCE LEAD: JOHN MEDLER | FINANCE LEAD: SAMANTHA KNOWLES (PSPS)

| Date of Meeting | Agenda item | Author | Purpose and whether mandatory | Frequency |
|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|--------------------------------------------------------------------------------|----------------|
| 12 September 2024 | Q1 Risk Report 2024/2025 | Business Intelligence and Change Manager | Part of Governance role – not mandatory | Quarterly |
| | Q1 Treasury Report 2024/2025 | Treasury and Investment Manager PSPS | To comply with Treasury Management Strategy reporting requirements | Quarterly |
| | Internal Audit Progress Report | Internal Audit Manager | Not mandatory, but part of Governance role. | Twice per year |
| | Governance and Audit Annual Report 2022/23 | Democratic Services | not mandatory but good practice | Annual |
| | External Auditors Progress Report <i>tbc</i> | External Audit Manager KPMG | | Annual |
| 19 November 2024 | Q2 Risk Report 2024/2025 | Business Intelligence and Change Manager | Part of Governance role – not mandatory | Quarterly |
| | Treasury Management Mid-year report 2024/2025 | Treasury and Investment Manager PSPS | To comply with Treasury Management Strategy reporting requirements | Half-yearly |
| | Audited Financial Statements including Annual Governance Statement 2023/2024 (<i>goes with same meeting as External Audit Completion Report below</i>) | Deputy Chief Finance Officer PSPS | To approve financial statements prior to release to External Audit - Mandatory | Annual |
| | External Audit Completion Report 2023/2024 (ISA 260) | External Audit Manager KPMG | Mandatory report to those charged with Governance | |

| Date of Meeting | Agenda item | Author | Purpose and whether mandatory | Frequency |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| | Audit Backstop Report <i>tbc</i> | <i>tbc</i> | <i>tbc</i> | Ad hoc |
| | External Auditors Progress Report 2024/2025 | External Audit Manager KPMG | mandatory | |
| | External Audit Strategy and Planning Report | External Audit Manager KPMG | External Audit Plan – Mandatory Approval | |
| | Information Governance Annual Report | Information Manager / Data Protection Manager | Mandatory | Annual |
| | Whistleblowing Policy | Assistant Director - Governance | To comply with the Committee's Terms of Reference, as detailed in the Constitution – 'To review and approve all Council policies and strategies that relate to the prevention of fraud and corruption, including polices on counter fraud, whistleblowing, and money laundering'. | 3-yearly <i>Last review March 2021</i> |
| | Counter Fraud and Corruption Policy | Assistant Director - Governance | To comply with the Committee's Terms of Reference, as detailed in the Constitution – 'To review and approve all Council policies and strategies that relate to the prevention of fraud and corruption, including polices on counter fraud, whistleblowing, and money laundering'. | 3-yearly <i>Last review March 2021</i> |
| 21 January 2025 | Draft Treasury Management Policy and Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2025/2026 | Deputy Chief Finance Officer / Treasury and Investment Manager PSPS | Mandatory requirement. To review Treasury Management Strategy and approve Prudential Indicators. | Annual |
| | Internal Audit Progress Report | Internal Audit Manager | To update Committee on progress of the plan. Not mandatory, but part of Governance role. | Twice per year |
| | External Audit Planning Update and Progress Report | External Audit Manager KPMG | | |

| Date of Meeting | Agenda item | Author | Purpose and whether mandatory | Frequency |
|----------------------|----------------------------------------------------|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| | External Audit Annual Report 2023/2024 <i>tbc</i> | External Audit Manager KPMG | Mandatory/Consultation requirement. To approve audit fees. | |
| 20 March 2025 | Q3 Risk Report 2024/2025 | Business Intelligence and Change Manager | Part of Governance role – not mandatory | Quarterly |
| | Q3 Treasury Report 2024/2025 | Treasury and Investment Manager PSPS | To comply with Treasury Management Strategy reporting requirements | Quarterly |
| | Draft Internal Audit Plan 2025/26 | Internal Audit Manager | Annual Internal Audit Workplan - Mandatory approval | Annual |
| | Financial Statements - Accounting Policies 2024/25 | Deputy Chief Finance Officer PSPS | Not mandatory, but good practice. | Annual |
| | Update in respect of RIPA 2000 | SRO for RIPA | To provide the Committee with an update to the Council's Policy and Procedures on the Regulation of Investigatory Powers Act 2000 (RIPA Policy) and its use and to provide assurance and information. | Annual |
| | Internal Audit Progress Report 2024/25 | Internal Audit Manager | To update Committee on progress of the plan. Not mandatory, but part of Governance role. | Twice per year |

The following item to be added to the Committee's Work Programme on an ad hoc basis, where there is information to report:

- **Code of Corporate Governance** – to adopt the updated Local Code of Corporate Governance, mandatory, to be reviewed every 3 years, last reviewed 19 September 2023.
- **Whistleblowing Policy** – to be reviewed every 3 years, last reviewed March 2021
- **Counter Fraud and Corruption Policy** - to be reviewed every 3 years, last reviewed March 2021