Appendix 1

SHDC GOVERNANCE AND AUDIT COMMITTEE TERMS OF REFERENCE

COUNCIL BODY:	MEMBERSHIP:	FUNCTIONS / TERMS OF REFERENCE:
Governance and Audit Committee	7 non-Cabinet members, excluding the Chairman of the Council and the Chairman of the Performance Monitoring Panel and Policy Development Panel Quorum 3 (SO 38) Substitutions are not permitted. Up to 2 Co-opted Independent members.	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. 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. **Internal Audit** 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. **External Audit** 5. To consider annually the External Audit plan of work. 6. To consider External Audit reports and letters.

		Accounts / Finance 7. To consider the extent of the Council's compliance with its own and other published financial statements and controls. 8. To review and approve the annual Statement of Accounts and the Annual Governance Statement contained therein. 9. To approve the Council's Treasury Management Strategy & Policy and subsequent performance against this. **Risk Management** 10. To monitor and approve policies for the effective development and operation of risk management and corporate governance in the Council. **Governance** 11. To review the Council's arrangements for governance, with particular regard to the Local Code of Corporate Governance. 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. 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. 14. To commission ad-hoc work from internal and external audit. 15. To report annually to Full Council on the Committee's work and performance during the financial year. 16. To assess the Committee's own effectiveness on an annual basis against best practice.

Appendix 1

GOVERNANCE AND AUDIT – CALENDAR OF WORK PROGRAMME ITEMS 2025/2026

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

Date of Meeting	Agenda item	Author	Purpose and whether mandatory	Frequency
13 November 2025	Treasury Management Mid-year report 2025/2026	Treasury and Investment Manager (PSPS)	To comply with Treasury Management Strategy reporting requirements	Half-yearly
	Audited Financial Statements 2024/2025	Head of Finance Delivery - Technical and Corporate (PSPS)	To approve financial statements prior to release to External Audit - Mandatory	Annual
	External Audit Progress Report	External Audit Manager KPMG	Mandatory report to those charged with Governance	
	External Auditors Annual Report 2024/2025	External Audit Manager KPMG	mandatory	Annual
	Information Governance Annual Report	Information Manager / Data Protection Manager	Mandatory	Annual
	Annual Governance Statement Action Plan	Suzanne Rolfe	Good practice	6-monthly
	Counter Fraud, Bribery and Anti-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 *Last review March 2021*
	Amendments/Updates to the Contract Procedure Rules	Head of Procurement & Contracts	To seek approval to make the proposed amendments to the Contract Procedure Rules.	Ad-hoc

Date of Meeting	Agenda item	Author	Purpose and whether mandatory	Frequency
29 January 2026	Draft Treasury Management Policy and Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2026/2027	Head of Finance Delivery - Technical and Corporate (PSPS) / 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 Completion Report 2024/2025 (ISA 260)	External Audit Manager KPMG	Mandatory report to those charged with Governance	Annual
	Q2 Risk Report 2025/2026	Business Intelligence and Change Manager	Part of Governance role – not mandatory	Each meeting
	Governance and Audit Committee Skills Audit Results	Scrutiny and Policy Officer	As requested by members following consideration of the self-assessement exercise	
	Whistleblowing Policy and Procedure	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 *Last review March 2021*
19 March 2026	Q3 Risk Report 2025/2026	Business Intelligence and Change Manager	Part of Governance role – not mandatory	Quarterly
	Q3 Treasury Report 2025/2026	Treasury and Investment Manager PSPS	To comply with Treasury Management Strategy reporting requirements	Quarterly
	Draft Internal Audit Plan 2026/27	Internal Audit Manager	Annual Internal Audit Workplan - Mandatory approval	Annual

Date of Meeting	Agenda item	Author	Purpose and whether mandatory	Frequency
	Financial Statements - Accounting Policies 2025/26	Head of Finance Delivery - Technical and Corporate (PSPS)	Not mandatory, but good practice.	Annual
	Internal Audit Progress Report 2025/26	Internal Audit Manager	To update Committee on progress of the plan. Not mandatory, but part of Governance role.	Twice per year
	Combined Assurance Status Report 2025/26	Assistant Director – Governance (Monitoring Officer)		Annual
	Update in respect of RIPA 2000	Information Manager / Data Protection Officer	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 it's use and to provide assurance and information.	Annual
	External Audit Strategy and Planning Report 2025/26	External Audit Manager KPMG	Mandatory Approval	Annual

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 and Procedure** – to be reviewed every 3 years, due at 29 January 2026 meeting.
- **Counter Fraud, Bribery and Anti-Corruption Policy** - to be reviewed every 3 years, reviewed at 13 November 2025 meeting.