

## **Audit and Corporate Governance Committee**

### **Statement of Purpose**

1. Our Audit and Corporate Governance Committee is a key component of the London Borough of Camden'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 our Audit and Corporate Governance 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 the London Borough of Camden'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

### **Governance**

3. The Audit and Corporate Governance Committee shall have responsibility for non-executive matters specified under the relevant legislation save for those within the remit of Licensing, Planning, Pension and Standards Committees. The Council has five Scrutiny Committees that scrutinise the executive functions of the Council. The terms of reference for the five Scrutiny Committees are set out in Part 3 of the Constitution. The Council's Standards Committee is responsible for considering the conduct of councillors and advises on ethical standards. Whilst the Audit and Corporate Governance Committee cannot take decisions within the remit of Licensing, Planning, Pension and Standards Committee it does have responsibility for the overall corporate governance of the Council.

### **Governance, Risk and Control**

4. To review the Council's corporate governance arrangements against the good governance framework.
5. To review the AGS prior to approval 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.
6. To aid the achievement of the Council's goals and objectives through the review of corporate governance arrangements including considering the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements
7. To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.

8. To monitor the effective development and operation of risk management in the council.
9. To monitor progress in addressing risk-related issues reported to the committee
10. To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
11. To consider the assessment of fraud risks and potential harm to the Council from fraud and corruption.
12. To monitor Council policies on whistle-blowing and the anti-fraud and anti-corruption strategy.
13. To receive an annual report on the Council's usage of its powers under the Regulation of Investigatory Powers Act (RIPA).
14. To review the governance and assurance arrangements for significant partnerships or collaborations.
15. To provide free and unfettered access to the Audit Committee Chair and committee for the independent member of the committee

#### **Internal Audit**

16. To approve the internal audit charter.
17. To consider proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.
18. To approve the risk-based internal audit plan, including internal audit's resource requirements (and any significant changes to either), the approach to using other sources of assurance and any work required to place reliance upon those other sources.
19. To make appropriate enquiries of both management and the Head of Internal Audit to determine if there are any inappropriate scope or resource limitations.
20. 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.
21. To consider reports from the Head of Internal Audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:
  - a) updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work

- b) regular reports on the results of the Quality Assurance and Improvement Programme (QAIP)
  - c) reports on instances where the internal audit function does not conform to the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN), considering whether the non-conformance is significant enough that it must be included in the AGS.
22. To consider the head of internal audit's annual report:
- a) The statement of the level of conformance with the PSIAS and LGAN and the results of the QAIP that support the statement – these will indicate the reliability of the conclusions of internal audit.
  - b) 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 AGS.
23. To consider summaries of specific internal audit reports as requested.
24. To consider a report from the Head of Internal Audit regarding recommendations contained in Internal Audit reports that have not been implemented within agreed timescales or where the Head of Internal Audit has concluded that management has accepted a level of risk that may be unacceptable to the authority.
25. To monitor the outcome of the annual QAIP of internal audit and to contribute to the external quality assessment of internal audit that takes place at least once every five years.
26. To consider a report on the effectiveness of internal audit to support the AGS, where required to do so by the Accounts and Audit Regulations.
27. To provide free and unfettered access to the Audit Committee Chair for the Head of Internal Audit, including the opportunity for an informal private meeting with the committee.

### **External Audit**

28. 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.
29. To consider the external auditor's annual letter, annual audit plans, and other relevant reports reporting to those charged with governance.
30. To consider specific reports as agreed with the external auditor.
31. To comment on the scope and depth of external audit work and to ensure it gives value for money.

32. To commission work from internal and external audit
33. To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.
34. To provide free and unfettered access to the Audit Committee Chair for the external auditors, including the opportunity for an informal private meeting with the committee.

### **Financial Reporting**

35. 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.
36. To review and approve any proposed changes to accounting policies produced within CIPFA guidelines.
37. To consider the external auditor's report to those charged with governance on issues arising from the audit of the Accounts.
38. To report and make recommendations to the Cabinet and/or Council as necessary on relevant issues arising from the exercise of these functions.

### **Accountability Arrangements**

39. 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.
40. To report to full council when it considers appropriate on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.
41. To undertake an annual review of the effectiveness and the work of the committee.

### **Regulatory Framework**

42. To maintain an overview of the Council's Constitution in respect of contract procedure rules and financial regulations.
43. To review any relevant issue referred to it by the Chief Executive or the Executive Director Corporate Services or Monitoring Officer.
44. To review the treasury management activities and monitor compliance with policies, strategies and procedures plus oversight of governance, risks and assurance matters relating to debt and investment portfolios and make recommendations to full Council.

45. To receive the Council's Pay Policy Statement annually and recommend to Council its adoption.

### **Matters reserved for the Audit and Corporate Governance Committee**

#### **General functions**

46. Responsibility for the appointment of all relevant sub-committees, including approval of their terms of reference and membership if not already appointed by Council at the annual Council meeting.
47. To determine matters relating to the organisation and conduct of elections, including the following:
  - i) appointment of an Electoral Registration Officer, should the Chief Executive not be able to fulfil the role;
  - ii) appointment of a Returning Officer for local government elections, should the Chief Executive not be able to fulfil this role;
  - iii) division of constituencies into polling districts; and
  - iv) division of the borough into polling districts.
48. To regulate matters affecting members, including remuneration and expenditure.
49. To monitor and review the Constitution, in accordance with Article 14, including the making of recommendations to Council on the revocation, alteration or making of new Standing Orders, Contract and Financial Standing Orders.
50. To recommend to Council the introduction, amendment or revocation of by-laws.
51. Responsibility for making arrangements for the proper administration of the Council's financial affairs.
52. Responsibility for the designation of statutory posts where the ordinary post holder is unable to fulfil the role (and where this does not form part of the appointments process and is therefore delegated to the appropriate Appointments Sub-Committee) as follows:
  - a) Head of Paid Service, should the Chief Executive or the Deputy Chief Executive not be able to fulfil the role;
  - b) Chief Financial Officer (known as the Section 151 officer) should the Executive Director Corporate Services or their nominated deputy not be able to fulfil this role;

c) Monitoring Officer, should the Borough Solicitor or their nominated deputy not be able to fulfil this role;

d) Data Protection Officer, should the Borough Solicitor not be able to fulfil this role;

e) Director of Children's Services, should the Executive Director Supporting People not be able to fulfil this role;

f) Director of Public Health, should the Joint Director of Public Health not be able to fulfil this role;

g) Director of Adult Social Services, should the Director of Adult Social Care not be able to fulfil this role; and

h) Lead Scrutiny Officer, should the Director of Corporate Strategy and Policy Design not be able to fulfil this role.

53. To determine the terms and conditions on which officers hold office (including procedures for their dismissal).

54. Agreeing the corporate complaints policy and procedure, remedies policy and procedure, and any other policies related to payments or benefits in kind arising from maladministration findings by an Ombudsman.

55. To establish, set the terms of reference and procedures of and appoint to an Accessible Transport Appeals Panel or Panels.