

CORPORATE OVERVIEW AND SCRUTINY COMMISSION

This Commission will normally meet three times per year to organise and review the work of the Governance and Corporate Performance Panels as appropriate. It will also co-ordinate the formal response from Overview and Scrutiny regarding the Budget. The Standing Panels will consist of Members of the parent Commission and are empowered to report direct to such bodies as they deem appropriate on any matter within their respective remits which are set out below.

A Governance Panel

1 Statement of Purpose

The Governance Panel will provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment, and to oversee the financial reporting process.

2 Core Functions

The Governance Panel will:

- I. Consider the effectiveness of the authority's risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements
- II. Seek assurances that action is being taken on risk-related issues identified by auditors and inspectors
- III. Be satisfied that the authority's assurance statements, including the Statement on Internal Control, properly reflect the risk environment and any actions required to improve it
- IV. Approve (but not direct) internal audit's strategy, plan and monitor performance
- V. Review summary internal audit reports and the main issues arising, and seek assurance that action has been taken where necessary
- VI. Receive the annual report from the head of internal audit
- VII. Consider the reports of external audit and inspection agencies
- VIII. Ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted

- IX. Review the financial statements, external auditor's opinion and reports to Members, and monitor management action in response to the issues raised by external audit.

3 *Terms of Reference*

a) **Audit Activity**

- I. To consider the head of internal audit's annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements
- II. To consider summaries of specific internal audit reports as requested
- III. To consider reports dealing with management and performance of the providers of internal audit services
- IV. To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale
- V. To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance
- VI. To consider specific reports as agreed with the external auditor
- VII. To comment on the scope and depth of external audit work and to ensure it gives value for money
- VIII. To liaise with the Audit Commission over the appointment of the Council's external auditor
- IX. To commission work from the internal and external audit.

b) **Regulatory Framework**

- I. To maintain an overview of the Council's Constitution in respect of contract procedure rules, financial regulations and codes of conduct and behaviour and recommend any changes to the General Purposes Committee
- II. To review any issues referred to it by the Chief Executive or a Director, or any Council body
- III. To monitor the effective development and operation of risk management and corporate governance in the Council
- IV. To monitor Council policies on 'Raising Concerns at Work' and the anti-fraud and anti-corruption strategy and the Council's complaints process
- V. To oversee the production of the authority's Statement on Internal Control and to recommend its adoption

VI. To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice

VII. To consider the Council's compliance with its own and other published standards and controls.

c) Accounts

I. To review 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

II. To consider the external auditor's report to those charged with governance on issues arising from the accounts

B Corporate Performance Panel

This Panel will take an overview on managing and monitoring Corporate Performance within the Council. This will include corporate action plans including finance, performance indicators and other agreed performance measures. The Panel will also take an overview of value for money issues within the Council including the programme of Service and Corporate Reviews.

The Panel will be expected to focus upon initiatives of corporate performance or where particular indicator(s) is suggesting performance and/or resource issues of a corporate significance. In the case of service indicator(s) giving cause for concern the Corporate Performance Panel should initially report to the relevant Overview and Scrutiny Commission in the first instance with, if it deems appropriate, proposals for action.