

GOVERNANCE & AUDIT COMMITTEE

TERMS OF REFERENCE

1. Purpose

- 1.1 To fulfil the role of the Governance and Audit Committee as defined in the Local Government and Elections (Wales) Act 2021.

2. Responsibilities of the Governance and Audit Committee

- 2.1 The core responsibilities of the Governance and Audit Committee Sub-Committee is to provide oversight of a range of core governance and accountability arrangements, responses to the recommendations of assurance providers and helping to ensure robust arrangements are maintained. The Governance and Audit Committee Sub-Committee have specific responsibilities for the Corporate Joint Committee, which include:

a) Maintenance of Governance, Risk and Control Arrangements

- Support a comprehensive understanding of governance across the Corporate Joint Committee and among those charged with governance, fulfilling the principles of good governance.
- Consider of the effectiveness of the Corporate Joint Committee's risk management arrangements. The Governance and Audit Committee Sub-Committee should understand the risk profile of the Corporate Joint Committee and seek assurances that active arrangements are in place on risk-related issues, for both the Corporate Joint Committee and its collaborative arrangements.
- Monitor the effectiveness of the system of internal control, including arrangements for financial management, ensuring value for money, supporting standards and ethics and managing the Corporate Joint Committee's exposure to the risks of fraud and corruption.

b) Financial and Governance Reporting

- Be satisfied that the Corporate Joint Committee's accountability statements, including the annual governance statement, properly reflect the risk environment, and any actions required to improve it, and demonstrate how governance supports the achievement of the Corporate Joint Committee's objectives.

- Support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them.

c) Establishing appropriate and effective arrangements for audit and assurance

- Consider the arrangements in place to secure adequate assurance across the Corporate Joint Committee's full range of operations and collaborations with other entities.
- In relation to the Corporate Joint Committee's internal audit functions;
 - Oversee its independence, objectivity, performance, and conformance to professional standards.
 - Support effective arrangements for internal audit.
 - Promote the effective use of internal audit within the assurance framework.
- Consider the opinion, reports and recommendations of external audit and inspection agencies and their implications for governance, risk management or control, and monitor management action in response to the issues raised by external audit.
- Contribute to the operation of efficient and effective external audit arrangements, supporting the independence of auditors and promoting audit quality.
- Support effective relationships between all providers of assurance, audits and inspections, and the Corporate Joint Committee, encouraging openness to challenge, review and accountability.

3. Role and Functions of the Governance and Audit Committee

Following the Local Government and Elections (Wales) Act 2021, the South West Wales Corporate Joint Committee were required to appoint a Governance and Audit Sub-Committee to discharge the following functions.

- Review and scrutinise the Corporate Joint Committee's financial affairs, including approval of the Annual Statement of Accounts;
- Make reports and recommendations in relation to the Corporate Joint Committee's financial affairs;
- Review and assess the risk management, internal control and corporate governance arrangements of the Corporate Joint Committee;
- Make reports and recommendations to the Corporate Joint Committee on the adequacy and effectiveness of those arrangements;

- Oversee the Corporate Joint Committee's internal and external audit arrangements, including internal and external work plans, receive, review and make reports on audit work and performance.
- Review the financial statements prepared by the Corporate Joint Committee.

The Governance and Audit Sub-Committee's Procedural Rules are set out below.

4. The Governance and Audit Sub-Committee

- 4.1 The Corporate Joint Committee is required to have a Governance and Audit Sub-Committee with its roles and terms of reference as set out herein.
- 4.2 There is no provision in the Local Government (Wales) Measure 2011 to allow the Governance and Audit Sub-Committee to form a sub-committee.

5. Membership of the Governance and Audit Sub-Committee

- 5.1 The membership of the Governance and Audit Sub-Committee shall be appointed by the Corporate Joint Committee subject to the following rules;
- There shall be 12 members of the Governance and Audit Sub-Committee (comprising 2 members from each constituent Council);
 - At least four members of the Governance and Audit Sub-Committee shall be a voting lay member who is not a member of a County Council, or County Borough Council in Wales.
 - No members of the Governance and Audit Sub-Committee shall be a member of the Corporate Joint Committee, a co-opted member or member of another sub-committee of the Corporate Joint Committee.
 - Members of the executive of constituent Councils are not to be a member of the Governance and Audit Sub-Committee.
- 5.2 The Governance and Audit Sub-Committee is entitled to recommend to the Corporate Joint Committee the appointment of a number of people as voting members.

6. Appointment of Chair and Vice-Chair

- 6.1 A Governance and Audit Sub-Committee is to appoint a member of the Governance and Audit Sub-Committee as its Chair and Vice-Chair. The member appointed as Chair must be a lay person but in the event of the Chair being unable to attend another Governance and Audit Sub-Committee member shall be voted in as the Chair for the purposes of that meeting alone.

7. Meetings of the Governance and Audit Sub-Committee

7.1 Unless otherwise agreed by the Chair and Vice-Chair there shall be at least four ordinary meetings of the Governance and Audit Sub-Committee in each year. In addition, extraordinary meetings may be called from time to time as and when appropriate.

7.2 An Extraordinary Meeting of the Governance and Audit Sub-Committee shall be convened in the following circumstances;

- The Chair of the Governance and Audit Sub-Committee so requires it, or
- The full Corporate Joint Committee resolves that the Governance and Audit Sub-Committee shall meet; or
- At least one third of Members of the Governance and Audit Sub-Committee requisition a meeting by giving one or more notices in writing to the Chair, or
- If the Chief Executive or the Chief Finance Officer consider it necessary and appropriate.

8. Quorum

8.1 The quorum for the Governance and Audit Sub-Committee shall be four members with at least one member present from each constituent Council and a least one lay member.

9. Forward Plan and Other Information

9.1 The Governance and Audit Sub-Committee will be responsible for setting its own work programme and in doing so it shall take into account the wishes of members on that Sub-Committee who are not members of the largest political group on the Corporate Joint Committee.

10. Agenda Items

10.1 Any member of the Governance and Audit Sub-Committee shall be entitled to give written notice to the Chief Executive at least 8 clear working days before the date of the next meeting that he/she wishes an item relevant to the functions of the Committee to be included on the agenda for, and be discussed at, a meeting of the Committee;

10.2 On receipt of such a request, the Chief Executive shall ensure that it is included on the agenda for the next or subsequent meeting (the determination as to which meeting rests with the Committee Chair);

10.3 Any member of the Corporate Joint Committee may give written notice to the Chief Executive at least 8 working days before the date of the next meeting that he/she wishes a matter which is relevant to the functions of the Sub-Committee to be included on the agenda of the Governance and Audit Sub-Committee;

- 10.4 If the Chief Executive receives such a notification, then he/she shall include the item on the agenda for the next or a subsequent meeting (the determination as to which meeting to rest with the Sub-Committee Chair). Such member may then attend the Sub-Committee to speak, but not vote, nor move, second or amend any motion on that item;
- 10.5 Any Member of the Corporate Joint Committee may request to and by agreement of the Sub-Committee Chair (subject to any relevant Code provisions) attend in respect of a particular item (or items) of interest. The Member may speak, but not move, second or amend a motion. The attendance shall relate to the particular item (or items) on the agenda;
- 10.6 When the Governance and Audit Sub-Committee has considered a requisition to place an item on the agenda of the Sub-Committee under paragraph 9.3 above, the Member(s) concerned shall be advised of the outcome of the Sub-Committee's deliberations;
- 10.7 The Governance and Audit Sub-Committee shall also respond, as their work programme permits, to requests from the Corporate Joint Committee, to review particular areas of Corporate Joint Committee activity relevant to the function of the Sub-Committee. Where they do so, the Governance and Audit Sub-Committee shall report their findings and any recommendations back to the Corporate Joint Committee.

11. Policy Review and Development

- 11.1 In relation to the development of other matters not forming part of its policy and budget framework, the Governance and Audit Sub-Committee may make proposals to the executive for developments in so far as they relate to matters within their terms of reference, but there shall be consultation with the Corporate Joint Committee to avoid any duplication of work.
- 11.2 If the Governance and Audit Sub-Committee cannot agree on one single proposal to the Corporate Joint Committee as appropriate, then one minority proposal may be prepared and submitted for consideration by the Corporate Joint Committee together with the majority proposal.

12. Access to Documents

- 12.1 The Governance and Audit Sub-Committee is subject to Part 5A of the Local Government Act 1972 (access to meetings and documents).
- 12.2 In addition to their rights as Councillors, members of the Governance and Audit Sub-Committee have the additional right to documents, and to notice of meetings as set out in the Access to Information Procedure Rules.

13. Members and Officers Giving Account

13.1 The Governance and Audit Sub-Committee:-

- a) May require members and officers of the Corporate Joint Committee to attend before it to answer questions, and
- b) May invite other persons to attend meetings of the Sub-Committee.

13.2 It is the duty of any member or officer of the Corporate Joint Committee to comply with any requirement imposed under paragraph 12.1 (a).

13.3 A person is not obliged by paragraph 12.2 to answer any question which the person would be entitled to refuse to answer in, or for the purposes of, proceedings in a court in England and Wales.

13.4 Where any member or officer is required to attend a Governance and Audit Sub-Committee under this provision, the Sub-Committee Chair will inform the Chief Executive who shall inform the member or officer in writing giving at least 8 clear working days' notice of the meeting at which he/she is required to attend. The notice will state the nature of the item on which he/she is required to attend to give account and whether any papers are required to be produced for the Sub-Committee. Where the account to be given to the Sub-Committee will require the production of a report, then the member or officer concerned will be given sufficient notice to allow the preparation of that documentation.

13.5 Where, in exceptional circumstances, the member or officer is unable to attend on the required date then the Sub-Committee Chair shall in consultation with the member or officer arrange an alternative date for attendance.

13.6 It is ultimately the Corporate Joint Committee members which will be required to answer questions about policies and decisions. Officer contributions should as far as possible be confirmed to questions of fact and explanation relating to policies and decision, though they can be asked to explain and give reasons for decisions they themselves have taken under delegated authority.

13.7 The Chief Executives (or any so officers nominated by them) of constituent Councils and National Park Authorities shall be entitled to attend meetings of the Governance and Audit Sub-Committee in an advisory capacity, irrespective of whether the meeting is to be considered in public or private.

14. Procedure at Governance and Audit Sub-Committee Meetings

14.1 The Governance and Audit Sub-Committee shall consider the following business:-

- a) Minutes of the last meeting.
- b) Consideration of any matter referred to the Sub-Committee.

- c) Responses of the executive to proposals of the Governance and Audit Sub-Committee; and
- d) The business otherwise set out on the agenda for the meeting.

14.2 Where the Governance and Audit Sub-Committee conducts investigations (e.g. with a view to policy development), the Sub-Committee may also ask people to attend to give evidence at Sub-Committee meetings which are to be conducted in accordance with the following principles:

- a) That the investigation is conducted fairly and all members of the Sub-Committee be given the opportunity to ask questions of attendees, and to contribute and speak.
- b) That those assisting the Sub-Committee by giving evidence be treated with respect and courtesy; and
- c) That the investigation be conducted so as to maximise the efficiency of the investigation or analysis.

14.3 Following any investigation or review, the Governance and Audit Sub-Committee shall prepare a proposal for submission to the executive and/or Corporate Joint Committee as appropriate, and shall make its proposals and findings public.

14.4 All members of the Governance and Audit Sub-Committee are entitled to vote on any question which follows to be decided by the Sub-Committee.

15. Guidance of the Welsh Ministers

15.1 The Governance and Audit Sub-Committee must have regard to any guidance given by the Welsh Ministers under Section 85(1) Local Government (Wales) Measure 2011.