

## Governance and Audit Committee Procedure Rules

### INTRODUCTION

Under the Local Government Act 1972 and Local Government Act 2000 (as amended by the Localism Act 2011) the Council is required to establish committees to undertake non-executive functions under powers delegated from the Full Council.

The Governance and Audit Committee deals with the approval of the Council's Statement of Accounts, audit, other miscellaneous regulatory matters and standards.

#### **1. Application of the Meetings General Procedure Rules**

- (1) The Meetings General Procedure Rules shall apply to all meetings of the Governance and Audit Committee except as varied by these Governance Committee and Audit Committee Procedure Rules.

#### **2. Terms of Reference of the Governance and Audit Committee**

To consider and approve the Council's Statement of Accounts in accordance with the Accounts and Audit Regulations 2015.

#### **Core functions as defined in the CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022**

##### **(1) Maintenance of governance, risk and control arrangements**

- (a) Support a comprehensive understanding of governance across the organisation and among all those charged with governance, fulfilling the principles of good governance.
- (b) Consider the effectiveness of the authority's risk management arrangements. It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.
- (c) 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 authority's exposure to the risks of fraud and corruption.

##### **(2) Financial and governance reporting**

- (a) Be satisfied that the authority'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 authority's objectives.
- (b) Support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them.

(3) Establishing appropriate and effective arrangements for audit and assurance

- (a) Consider the arrangements in place to secure adequate assurance across the body's full range of operations and collaborations with other entities.
- (b) In relation to the authority'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
- (c) 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.
- (d) Contribute to the operation of efficient and effective external audit arrangements, supporting the independence of auditors and promoting audit quality.
- (e) Support effective relationships between all providers of assurance, audits and inspections, and the organisation, encouraging openness to challenge, review and accountability.

(4) Annual Report

- (a) To publish an annual report on the work of the Committee by reporting annually to Full Council on the Committee's findings, conclusions and recommendations; providing its opinion on the adequacy and effectiveness of the Council's governance, risk management and internal control frameworks; internal and external audit functions and financial reporting arrangements.
- (b) To report to Full Council where the Committee wish to raise concerns within their remit, have added value, improved or promoted the control environment and performance in relation to the Terms of Reference and the effectiveness of the Committee in meeting its purpose and functions.

**Shareholder Committee for Council owned companies**

- (5) To consider, review and make recommendations to Cabinet regarding:
  - (a) the activities and financial performance of Colchester Commercial (Holdings) Limited, its subsidiary companies and Colchester Borough Homes Limited.
  - (b) an annual review of the business plans of Colchester Commercial (Holdings) Limited (including its subsidiary companies) and performance of the companies including delivery of the dividend; and

- (c) the Annual Report, Governance Statement and performance of Colchester Borough Homes Limited.
- (d) how the Council should exercise its role as shareholder of Council owned companies.
- (e) the creation of and arrangements for any future Council owned company including activities and performance.

### **Standards**

- (6) Promoting and maintaining high standards of conduct by Members and Co-opted Members of the Council.
- (7) Advising the Council on the adoption or revision of the Members' Code of Conduct.
- (8) Advising and assisting Parish Council(s) and Councillors to maintain high standards of conduct.
- (9) To receive referrals from the Monitoring Officer into allegations of misconduct in accordance with the Council's assessment criteria.
- (10) Receiving reports from the Monitoring Officer and assessing the operation and effectiveness of the Members' Code of Conduct.
- (11) Advising, training or arranging to train Members and Co-opted Members on matters relating to the Members' Code of Conduct.
- (12) Assisting Councillors and co-opted Members to observe the Members' Code of Conduct.
- (13) To create a Hearings Sub-Committee to hear and determine complaints about Members and Co-opted Members referred to it by the Monitoring Officer.
- (14) To conduct hearings on behalf of the Parish and Town Councils and to make recommendations to Parish and Town Councils on improving standards or actions following a finding of a failure by a Parish or Town Councillor to comply with the Code of Conduct.
- (15) To inform the Full Council and the Chief Executive of relevant issues arising from the determination of Code of Conduct complaints.
- (16) Advising the Council upon the contents of and requirements for codes/ protocols/ other procedures relating to standards of conduct throughout the Council.
- (17) To grant dispensations after consultation with the Independent Person pursuant to Sections 33(2) (b), (c) and (e) of the Localism Act 2011.
- (18) To hear and determine appeals against refusal to grant dispensations by the Monitoring Officer pursuant to Sections 33(2)(a) and (d) of the Localism Act 2011.
- (19) To make recommendations to Council regarding the appointment of Independent Persons in accordance with section 28 (7) and (8) of the Localism Act 2011.

## **Landlord Social Housing**

- (20) To monitor (in the City Council's capacity as landlord of social housing) compliance and delivery of the Regulator of Social Housing's Consumer and Rent Standards, providing assurance to Full Council.

### **Miscellaneous matters**

- (21) To make recommendations to Council on the Council's functions contained in Parts D (elections), E (name and status of areas and individuals), F (making, amending, revoking, re-enacting or enforcing byelaws) G (promotion or opposing local or personal bills), of Schedule 1 of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (as amended).
- (22) To determine Community Governance Reviews.
- (23) An overview of the Council's complaint handling procedure and Local Government and Social Care Ombudsman investigations.
- (24) Review of the Constitution including governance issues around formal meetings, processes and member training and to make recommendations to Council.

## **3. Composition of the Committee**

- (1) The Committee shall comprise seven Councillors, all of whom shall have undertaken suitable training in relation to statement of accounts and Members Code of Conduct in respect of which the following criteria shall apply:
- Attendance must be at the training session provided within the context of the Member Development Programme;
  - Attendance must be for the duration of each training session, at least every other year;
  - Membership of the Committee does not provide any exemption from attendance at a training session;
  - A record of attendance at training sessions shall be maintained by Democratic Services.
- (2) When considering standards issues, up to three Parish Representatives and the Independent Persons will also be invited to attend.
- (3) A Councillor who is currently appointed by the Council to the Board of Colchester Commercial (Holdings) Limited or the Board of Colchester Borough Homes Limited as a director cannot be a member or substitute member of the Committee.

## **4. Committee meetings – when and where?**

- (1) Meetings may be called from time to time as and when appropriate. The Committee shall meet at the Town Hall, High Street, Colchester or another location to be agreed by the Leader of the Council.

- (2) Meetings of the Committee shall be arranged by the Proper Officer who will normally give a minimum of five clear working days' notice and comply with the Access to Information Rules set out in Part 4 of this Constitution.

## **5. Public or private meetings of the Committee?**

- (1) Meetings of the Committee will be held in public except in so far as the matters for decision relate to issues which can be dealt with in private in accordance with the Access to Information Rules set out in Part 4 of this Constitution.

## **6. Quorum**

- (1) The quorum for the Committee shall be one half of the total membership, rounded up in the event of an odd number of members, provided that the minimum quorum shall be three. The quorum must be maintained for the duration of the meeting.

## **7. Voting**

- (1) All members of the Committee are entitled to vote at meetings with the exception of any Parish Representatives and the Independent Persons who may be present for standards items.

## **HOW ARE THE COMMITTEE MEETINGS CONDUCTED?**

### **8. Who presides?**

- (1) The meeting will be chaired by a Chair who shall be appointed by the Committee on an annual basis. In the absence of the Chair the members present may appoint a Chair for the meeting from those present.

### **9. Who may attend?**

- (1) Members of the public may attend meetings of the Committee except when exempt or confidential information is being considered where the press and public, may be excluded by resolution of the Committee in accordance with the Access to Information Rules contained in Part 4 of this Constitution.

### **10. What business?**

- (1) Meetings of the Committee will include the following business:

- (a) Have Your Say!
- (b) Consideration of the minutes of the last meeting;
- (c) Urgent Items;
- (d) Declarations of interest, if any;
- (e) Consideration of any matter within the Committees Terms of Reference.

### **11. Recording of Decisions**

- (1) All decisions will be made by a simple majority of the members of the Committee present at the meeting.

- (2) Following a meeting of the Committee at which a report (whether oral or in writing) has been received and a recommendation has been made, the Proper Officer shall ensure that a written statement is kept which must include the following: -
  - (a) record of the decision;
  - (b) record of reasons for the decision;
  - (c) details of alternative options considered;
  - (d) record of any conflict of interest declared; and
  - (e) any dispensation granted as appropriate.

## **12. PROCEDURE FOR HEARINGS SUB-COMMITTEE MEETINGS**

- (1) The Council has agreed to the formation of a Hearings Sub-Committee of the Governance and Audit Committee to hear and determine allegations that Councillors have failed to comply with the Members' Code of Conduct.
- (2) Hearing Sub-Committee meetings will be conducted in accordance with the procedure set out at Appendix 1.

## **PROCEDURE FOR HEARINGS SUB-COMMITTEE MEETINGS**

### **1. Terms of reference of the Hearings Sub-Committee**

- (1) To conduct a Hearing into an allegation that a Councillor or Co-opted Member has breached the Authority's Code of Conduct.
- (2) Following a Hearing, make one of the following findings:
  - (a) That the Councillor has not failed to comply with the Members' Code of Conduct and no further action needs to be taken in respect of the matters considered at the Hearing; or
  - (b) That the Councillor has failed to comply with the Members' Code of Conduct but that no further action needs to be taken in respect of the matters considered at the Hearing; or
  - (c) That the Councillor has failed to comply with the Members' Code of Conduct and that a formal resolution should be made to the Authority.
- (3) The Sub-committee may recommend to the Authority any action or combination of actions available to it (details of which are contained in Schedule A to these Rules) or recommend any informal resolution or combination of informal resolutions as are available to it by law or policy.
- (4) After making a finding the sub-committee shall publish its findings within 7 working days of the Hearing.

### **2. Composition of the Sub- Committee**

The Committee shall comprise of:

- (1) Up to five City Council Councillors; and
- (2) One Parish or Town Councillor (if the matter relates to a Parish or Town Council); and
- (3) An Independent Person appointed by the Council in accordance with the Localism Act 2011.

### **3. Sub- Committee meetings – when and where?**

- (1) Meetings may be called from time to time as and when appropriate. The Sub-Committee shall meet at the Town Hall, High Street, Colchester.
- (2) Meetings of the Sub-Committee shall be summoned by the Proper Officer who will normally give a minimum of five clear working days' notice and comply with the Access to Information Rules set out in Part 4 of this Constitution.

#### **4. Public or private meetings of the Sub-Committee?**

- (1) Meetings of the Sub-Committee will be held in public except in so far as the matters for decision relate to issues which can be dealt with in private in accordance with the Access to Information Rules set out in Part 4 of this Constitution.

#### **5. Quorum**

- (1) The quorum for the Sub-Committee shall be three City Councillors which must be maintained for the duration of the meeting.

#### **6. Voting**

- (1) Only the City Council Councillors are entitled to vote at meetings.

#### **7. HOW ARE THE SUB- COMMITTEE MEETINGS CONDUCTED?**

##### **Who presides?**

- (1) The meeting will be chaired by a Chair who shall be appointed by the Sub-Committee from those present.

##### **Who may attend?**

- (2) Members of the public (including Councillors who are not members of the Sub-Committee) may attend all meetings of the Sub-Committee except when exempt or confidential information is being considered where the press and public, may be excluded by resolution of the Sub-Committee in accordance with the Access to Information Rules contained in Part 4 of this Constitution.

##### **What business?**

- (3) Ordinary meetings of the Sub- Committee will include the following business:
  - (a) Consideration of the minutes of the last meeting;
  - (b) Urgent Items;
  - (c) Declarations of interest, if any;
  - (d) Consideration of any matter within the Sub-Committees' Terms of Reference.

##### **Recording of Decisions**

- (4) All decisions will be made by a simple majority of the City Councillors of the Sub-Committee present at the meeting.
- (5) Following a meeting of the Sub-Committee at which a report (whether oral or in writing) has been received and a recommendation has been made, the Proper Officer shall ensure that a written statement is kept which must include the following: -
  - (a) record of the decision;
  - (b) record of reasons for the decision;
  - (c) details of alternative options considered; and
  - (d) record of any conflict of interest declared.



**Actions available to the Hearings Sub-Committee where a Councillor has been found to have failed to comply with the Code of Conduct**

- (1) The City Council has delegated to the Hearings Sub-Committee its powers to take action in respect of individual Councillors as may be necessary to promote and maintain high standards of conduct.

Accordingly, the Hearings Sub-Committee may: -

- (a) report its findings to Council (or to the Parish Council) for information;
- (b) recommend to Council (or to the Parish Council) that the Councillor be issued with a formal censure or be reprimanded;
- (c) recommend to the Councillor's Group Leader (or in the case of ungrouped Councillors, recommend to Council or to Committees) that the Councillor be removed from any or all Committees or Panels of the Council.
- (d) recommend to the Leader of the Council that the Councillor be removed from the Cabinet, or removed from particular Portfolio responsibilities;
- (e) instruct the Monitoring Officer to (or recommend that the Parish Council) arrange training for the Councillor;
- (f) recommend to Council to remove (or recommend to the Parish Council that the Councillor be removed) from all outside appointments to which they have been appointed or nominated by the Council (or by the Parish Council);
- (g) recommend to Council to withdraw (or recommend to the Parish Council that it withdraws) facilities provided to the Councillor by the Council, such as a computer, website and/or email and internet access; or
- (h) recommend to Council to exclude (or recommend that the Parish Council exclude) the Councillor from the Council's Offices or other premises, with the exception of meeting rooms as necessary for attending Council, Committee and Panel meetings.

- (2) The Hearings Sub-Committee has no power to suspend or disqualify a Councillor or to withdraw a Councillor's basic allowance or any special responsibility allowances.

- (3) Any actions recommended by the Hearings Sub-Committee should be proportionate and commensurate with the circumstances of the particular case.