Terms of Reference for Audit & Governance Committee

Version 11; adopted 23rd November 2026

1. Constitution

1.1. The Audit and Governance Committee is constituted as a Committee of the East Preston Parish Council.

1.2. The Committee's terms of reference may be amended at any time by the Council. Minor amendments can be made within the committee itself.

1.3. The Committee may from time to time investigate, discuss or review matters outside its terms of reference if required to do so by the Council.

2. Authority

2.1. The Committee is authorised by the Council to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any Councillor or employee of the Council and all such are directed to co-operate with any request made by the Committee.

2.2. The Committee is authorised by the Council to obtain external legal or other professional advice and to secure the attendance of anyone it considers has relevant experience, expertise or knowledge with the agreement of the Chairman of the Council and the Chairman of the Finance & General Purposes Committee.

2.3. Where a decision is needed ahead of a committee meeting, and this can clearly be justified, a decision can be made on behalf of the committee by the Chairman and Vice-Chairman of the Committee in conjunction with the Clerk or Assistant Clerk. Wherever possible, committee members should be consulted electronically first. (Full Council, 4th May 2021, Minute 351/21, Resolution 1529)

2.4. The Chairman (or in his or her absence, the Vice-Chairman) will attend regular meetings with the council's tenants – Angmering-on-Sea Lawn Tennis Club, East Preston & Kingston Bowls Club, East Preston & Kingston Village Hall Foundation and East Preston Cricket Club – alongside the Chairman (or Vice-Chairman) of the Council and the Chairmen of the Amenities and Finance & General Purposes Committees.

3. Membership

3.1. The Chairman and Vice-Chairman of the Council and the chairmen of each of the council's committees shall automatically be members of this committee. (Full Council, 9th April 2018, Minute 270/18, Resolution 1198) Additionally, space permitting, other committee members shall be appointed by the Council from amongst its members. Chairmen of committees can nominate their Vice-Chairman to attend on their behalf on occasion.

3.2. The Committee shall elect a Chairman and a Vice-Chairman for the municipal year at its first meeting in every council year.

3.3. The Clerk of the Council is Secretary to the Committee; where the Clerk is unavailable, the Assistant Clerk will be Secretary to the Committee.

3.4 Where there are more councillors willing to sit on a committee than spaces available, the Chairman of the Council and incumbent Chairman of the Committee, should agree to one of those extra councillors becoming the committee's official substitute.

Where it is necessary to include a substitute councillor, because of known absence or a conflict of interest, the official substitute should be approached first. Where that councillor is also unavailable or the committee does not have an official

substitute, the Chairman of the Committee and the Clerk should agree between them the order in which to approach other councillors.

The maximum number of substitute councillors at any one committee meeting should be three (for committees of seven members) or two (for committees of five members). (added by Full Council on 4th November 2019, Minute 946/19, Resolution 1372)

N.B. In some years, it may not be possible to finalise the membership of the committee until all other committees have appointed a Chairman.

4. Meetings

4.1. Meetings shall be held as necessary by the Clerk and the Chairman.

4.2. Additional meetings may be called by the Council or by the Chairman of the Committee.

4.3. The quorum necessary for the transaction of the business of the Committee shall be at least one half of the members or not less than 3.

4.4 After any evening meeting, regardless of the venue, the Chairman and / or Vice-Chairman of the Committee must stay with the Clerk or Assistant Clerk until he or she has locked up the whole of the venue, as necessary. (added by Full Council on 4th November 2019, Minute 946/19, Resolution 1373)

5. Responsibilities

5.1 To advise the Council on the effectiveness of its corporate governance structures

5.2 To ensure the appointment of an Internal Auditor is regularly competed, and to recommend an appointment to Council

5.3 To receive a programme of work from the appointed Internal Auditor for the next financial year before the end of the current financial year

5.4 To consider the adequacy of the Internal Auditor's proposed programme in testing the Council's financial systems

5.5 To negotiate with the Internal Auditor any additional work considered necessary and to recommend these additions to Council

5.6 To receive and consider reports and recommendations from Internal and External Auditors and recommend replies to Council

5.7 To recommend to Council actions to be taken to rectify any problems with, and effect any improvements to, the Council's financial systems

5.8 To carry out spot checks on the Council's financial systems, particularly where these have been recently changed in order to give Council early warning of problems which the Council's auditors may consider significant. Committee to nominate two members per year to sit with the Internal Auditor during the interim Internal Audit (usually around October) to carry out such spot checks in conjunction with the Internal Auditor

5.9 To review regularly the Council's accounting policies, Risk Management System and the financial aspects of the Council's Standing Orders and to recommend improvements to Council

5.10 To review, at least annually, the council's Council Plan

5.11 To review, at least once a council term, the council's Land and Buildings Strategy (reviewed 17th July 2023)

5.12 To commission a property valuation report (for insurance reinstatement values) at least once every five years

5.13 To review the council's variable direct debits at least once every three years.

5.14 To review the council's Investment Policy at least once every three years.

6. Responsibilities deemed delegated to the Internal Auditor

6.1 To review the Council's Annual Financial Statements and consider if these conform to principles of accountability, clarity and transparency; this should take place as part of every internal audit.

6.2 To carry out spot checks on the Council's financial systems, particularly where these have been recently changed in order to give Council early warning of problems which the Council's auditors may consider significant. At the annual interim Internal Audit, these checks to be carried out alongside two nominated members of this committee.

6.3 To review placed Purchase Orders issued on behalf of the Council, to check compliance with the Council's Financial Regulations, and to check detailing of the Orders is adequate and sufficient to eliminate doubt regarding the Council's requirements.

6.4 To audit placed Council tenders, to check compliance with the Council's Financial Regulations, and to check no possibility of bias exists in the management of these tenders and resulting contracts placed.

6.5 To complete, on behalf of the council, an annual review of the effectiveness of Internal Audit using the form *Internal Audit Review Checklist – Part 2 – Characteristics of Effectiveness*.

7. Reporting Procedures

7.1. The minutes of the Committee shall normally be reported to the next Committee meeting.

7.2. The Chairman of the Committee shall provide a written summary of each meeting for the following Full Council meeting.