

Audit and Accounts Committee Independent Member

Application Pack

1. About South Gloucestershire Council

South Gloucestershire is a mixed urban and rural area with long established urban communities, market towns, small villages and substantial new developments. Just over 60% of the population live in built up areas immediately adjoining Bristol. South Gloucestershire is home to 290,423 people which is a 10.5% increase since 2011 and growing faster than the south west average.

In our recent Council Plan, South Gloucestershire Council has set out an ambitious vision for creating a fairer, greener future for local communities. It was shaped by extensive engagement with residents and focuses on housing, transport and climate and nature challenges. The core goals are as follows:

1. Respond to the climate and nature emergency

- Achieve carbon neutrality for the Council by 2030.
- Reduce carbon emissions from homes and energy generation.
- Support green technology innovation and greener businesses.
- Improve local energy resilience and promote low-carbon travel options.

2. Help reduce inequalities

- Provide better economic opportunities for disadvantaged residents.
- Increase uptake of Free School Meals and ensure access to benefits.
- Deliver affordable, secure housing.
- Close education inequality gaps and support families early to prevent escalation of issues.

3. Support children and young people to thrive

- Focus on the first 1,001 days for children.
- Improve outcomes for children with Special Educational Needs and Disabilities (SEND).
- Ensure care leavers have access to education, employment, and training.

4. Support wellbeing and independence in communities

- Strengthen community connections and resources.
- Improve support for carers and integrate health and care systems.
- Help older people age well and feel valued.

5. Build better places

- Deliver secure, affordable housing.
- Create sustainable transport links and healthier travel options.

Some core opportunities have been identified in the Council Plan, including:

6. **Green Economy Growth:** Investment in green tech and sustainable businesses.
7. **Housing Development:** Affordable housing with security of tenure.
8. **Transport Improvements:** Better sustainable transport infrastructure.

9. **Community Empowerment:** Harnessing local strengths to meet needs.
 10. **Education & Skills:** Closing gaps and supporting lifelong learning.

South Gloucestershire Council is comprised of 61 Councillors, representing 28 electoral wards. Councillors were elected in May 2023 for a 4-year term. The political composition of the council is as follows:

- 15 Labour Councillors
- 19 Liberal Democrat Councillors
- 23 Conservative Councillors
- 4 Independent Councillors

As well as representing their wards, these 61 Councillors sit together to collectively form the Council and are responsible for setting the Council's Budget and Policy Framework. The Council operates a Leader and Executive model. This means the Leader of the Council is elected by Full Council to lead the Council for the 4-year term.

The Leader is then responsible for appointing an Executive body (referred to as the Cabinet). The Cabinet is responsible for implementing the budget and policy framework approved by the Council.

2. Role, Purpose and Description

Background Information

The Audit and Accounts Committee is a key component of the Council's arrangements to support good governance at South Gloucestershire Council.

The main purpose of the committee is to provide independent assurance of the adequacy of the risk management framework and the internal control environment. It provides an independent review of the Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit external audit, helping to ensure efficient and effective assurance arrangements are in place.

The role of the independent member is to bring a fresh and objective viewpoint to the work of the Audit and Accounts Committee and support them the other members in performing their role.

The Audit and Accounts Committee is comprised of 7 Councillors.

The work of the Audit and Accounts Committee includes reviewing and approving:

- The Annual Governance Statement
- The Annual Report of the Audit and Accounts Committee
- The Head of Internal Audit's Annual Assurance report and progress reports
- The Annual Statement of Accounts
- The External Auditor's Annual Audit Report (Value for money report)

The committee also receives updates on counter-fraud and risk management.

The terms of reference for the Audit and Accounts Committee are provided in this pack.

Members of the Audit and Accounts Committee receive training relevant to their role and are expected to keep up to date.

The independent member will be appointed through a process of public advertisement, application, shortlisting, interview and appointment.

The Council has a commitment to equal opportunities and welcomes applications from all sections of the community. The Council operates a no smoking policy.

The successful applicant will be entitled to claim for reasonable travel expenses. The position is for a fixed term of 4 years.

The independent member will attend and participate in meetings of the Council's audit and accounts committee, in person.

The Audit and Accounts Committee meet six times per year and occasionally may need to meet on an 'exception' basis.

The independent member, through their participation in the Audit and Accounts Committee, will assist the Council to discharge their powers and functions as set out in the Audit and Accounts Committee Terms of Reference.

- To apply strategic thinking and materiality to reports presented and be able to review at an appropriate level.
- To ask questions that draw out relevant facts and explanations.
- To provide challenge.
- To seek understanding and enable solutions.
- To evaluate information based on evidence presented without political bias
- To weigh up differing views and be able to come to an evidence-based conclusion; and
- To ask difficult questions to get to the facts while maintaining positive relationships.

Above all, the independent member should be a "critical friend" to, and support officers to, find and implement solutions that help the Council to better manage its risks and achieve its objectives.

You must agree to abide by the South Gloucestershire Council Members Code of Conduct (Training will be provided)

Given the independent nature of this role, it is unlikely that we would appoint a person who:

- Has, within the period of five years immediately preceding the date of the appointment, been a member or officer of South Gloucestershire Council.
- Is a serving member or officer of any other local authority; or
- Is a relative or close friend of a member or officer of South

Please see part 4 for further details on Disqualifications for Appointment.

Requirements

Essential

- A broad range of experience, preferably in public, private, voluntary and charitable section employment or service including employed, self-employed or voluntary positions.
- Ability to understand complex issues and make objective, evidence-based decisions.
- Strong interpersonal and communication skills.
- Willingness to participate in meetings and ask searching questions to challenge and hold to account Council Officers and the representatives of Internal and External Audit.
- Attend and prepare for each meeting of the Audit and Accounts Committee.
- Ability and willingness to attend any relevant training or development activities associated with the role.
- Independence of mind, objectivity and impartiality.

Desirable

- Understanding of the wider local government environment and accountability structures.
- Strategic and financial management responsibilities.
- Qualification in accountancy, finance, risk management, business management or internal audit.
- Good understanding of corporate governance and risk management and the key elements of audit, best value and external scrutiny. The ability to formulate and evaluate solutions to the issues identified.
- Good understanding of the roles in Internal and External Audit.

3. Audit and Accounts Committee Terms of Reference

The Audit and Accounts Committee is a key component of the authority's governance framework - its purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements.

The Committee's role is ensuring that there is sufficient assurance over governance, risk and control giving greater confidence to all those charged with governance that those arrangements are effective.

Full Council is the body charged with governance and the Audit and Accounts Committee is delegated some governance responsibilities detailed below but will be accountable to full Council. The committee has oversight of both internal and external audit together with the financial and governance reports, helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability.

In line with CIPFA recommendations, the committee will include two co-opted independent members to provide appropriate technical expertise.

The Council has an Audit Charter which explains how our audit arrangements operate including purpose, authority, accountability and arrangements to ensure independence and objectivity.

These terms of reference are in line with guidance on Audit Committees provided by the Chartered Institute of Public Finance and Accountancy (CIPFA) 2022.

Terms of Reference

Maintenance of governance, risk and control arrangements

- Support a comprehensive understanding of governance across the organisation and among all those charged with governance, fulfilling the principles of good governance.
- Consider the effectiveness of the authority's risk management arrangements. Committee will maintain oversight of the council's risk profile and seek assurance that active arrangements are in place on risk-related issues, for both the council 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 council's exposure to the risks of fraud and corruption.

Financial and governance reporting.

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

Establishing appropriate and effective arrangements for audit and assurance

- Consider the arrangements in place to secure adequate assurance across the council's full range of operations and collaborations with other entities. • In relation to the council'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, including but not limited to direct engagement with the council's external auditors, supporting the independence of auditors and promoting audit quality.

To discharge its responsibilities effectively, the committee:

- will meet as a minimum four times a year. Reports will be prepared in accordance with the provisions of the Local Government Act 1972 and access to information will be dealt with in accordance with schedule 12A to that Act;
- may, if appropriate, meet privately and separately with the external auditor and with the head of internal audit (such meetings to be dealt with in accordance with schedule 12A to the Local Government Act 1972);
- include, as regular attendees, the Chief Finance Officer, the Chief Executive, the Head of Internal Audit and the appointed external auditor; other attendees may include the Monitoring Officer and Executive Director of Resources & Business Change. These officers should also be able to access the committee members, or the Chair, as required;
- have the right to call on any other officers or agencies of the authority as required;
- support transparency, reporting regularly on its work to those charged with governance
- report annually to full council on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose. The committee is required to publish an annual report which includes out it has complied with the CIPFA position statement.

The committee will specifically be responsible for:

- review the council's compliance with the Local Code of Corporate Governance and receiving assurances that the council's corporate governance arrangements align with good governance and wider ethical framework;
- monitoring the effective development and operation of risk management in the council;
- monitoring progress in addressing risk-related issues reported to the committee; A-44
- considering reports on the effectiveness of financial management and reporting arrangements, including compliance with CIPFA's Financial Management Code.
- considering the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements;
- agreeing the Council's external Audit Plan and proposed fees, within the budget agreed by the Council, and to monitor the delivery of that Plan;
- supporting the independence of external audit through consideration of the external auditor's annual assessment of its

independence and review of any issues raised by Public Sector Audit Appointments Limited;

- consider the external auditor's annual letter, relevant reports and the report to those charged with governance. This includes commenting on the scope and depth of external audit work to ensure it gives value for money;
- consider additional commissions of work from external audit (in addition to any work not envisaged by the external audit plan);
- approving the Internal Audit Charter in line with the Public Sector Internal Audit Standards;
- agreeing the risk based internal audit plan, within the budget agreed by the Council, to monitor its delivery and effectiveness and to consider and make recommendation on any significant matters arising from internal audit work. To agree the approach to using other sources of assurance and any work required to place reliance upon those other sources;
- approving the terms of reference for the External Assessment of Internal Audit and receive reports on the results of the assessment, as required by the Public Sector Internal Audit Standards. Contribute to the external quality assessment of internal audit that takes place at least once every five years;
- receiving annual information on the progress of the Internal Audit Quality Assurance and Improvement Plan to provide assurance that the service is self-assessing their performance, as required by the Public Sector Internal Audit Standards;
- considering whether any impairments to the independence or objectivity of the Head of Internal Audit have arisen from any additional roles or responsibilities outside of internal auditing. To approve and periodically review safeguards to limit such impairments;
- ensuring 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;
- providing the formal response to the Annual Management Letter from the Council's external auditors;
- receiving progress reports including specific summaries of internal audit reports, as required. This may include where management has accepted a level of risk that may A-45 be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions;
- receiving an annual assurance report from the Head of Internal Audit on the work conducted by the internal audit service, which includes the Head of Internal Audit's annual 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. Ensuring the internal audit services is able to provide an effective audit function in terms of its resources and skills and that its scope is not restricted;
- considering and approving the Annual Governance Statement and action plan in accordance with the Accounts and Audit Regulations 2011 and any other legislation or statutory guidance;
- considering any significant internal or external audit matters that are deemed by the Chief Financial Officer or the Head of Internal Audit or the External Auditor to require member level consideration, including fundamental weakness reports;
- seeking assurance that significant external and internal audit recommendations are implemented by management;
- being the custodian of the Council's anti-fraud, bribery and corruption strategy and to develop and monitor policies and protocols on this matter;

- reviewing the assessment of fraud risks and potential harm to the council from fraud and corruption. To consider any significant issues in relation to detected fraud or corruption within the council. To consider the results from the biennial National Fraud Initiative and receive an annual report on counter fraud activity;
- reviewing and approving the annual statements of accounts, in accordance with the Accounts and Audit Regulations. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or audit that need to be brought to the attention of the Council;
- considering the external auditor's report to those charged with governance on issues arising from the audit of accounts.
- considering and recommending to Council options for the appointment of external auditors in line with current guidance brought about by The Local Audit and Accountability Act 2014.
- reporting annually to Council on how the committee has complied with the CIPFA Audit Committee position statement, discharged its responsibilities, including an assessment of its performance.

4. Disqualifications for Appointment

Summary of Sections 80 and 81 of the Local Government Act 1972

- i. A person shall be disqualified from being appointed if he/she: -
 - a. Holds any paid office or employment with the Authority;
 - b. Is a person who has been adjudged bankrupt or made a composition or arrangement with his/her creditors;
 - c. Has, within five years before the day of his/her appointment, been convicted of any offence and had passed upon him/her a sentence of imprisonment (whether suspended or not) for a period of not less than three months without the option of a fine;
 - d. Has been convicted of a corrupt or illegal practice under Part III of the Representation of the People Act 1983;
 - e. Is disqualified for membership for a specified period by Order of the Court because of his/her involvement in expenditure contrary to law; and
 - f. Is disqualified from membership for five years following an Auditor's certificate that a loss or deficiency has been caused by his/her wilful misconduct while a member of a local authority.
- ii. The disqualification attaching to a person by reason of having been adjudged bankrupt ceases: -
 - a. On his/her discharge from bankruptcy unless the bankruptcy order made against the person is previously annulled; and
 - b. If the bankruptcy order is so annulled, on the date of the annulment.
- iii. The disqualification attaching to a person by reason of his/her having made a composition or arrangement with his/her creditors ceases: -
 - a. On the date on which payment is completed if he/she pays the debts in full; or
 - b. In any other case, on the expiration of five years from the date on which the terms of the deed of composition or arrangement are fulfilled.