

GUILDFORD BOROUGH COUNCIL

ARTICLE 10 – THE CORPORATE GOVERNANCE AND STANDARDS COMMITTEE

10.1 Composition

(a) **Membership**

The Corporate Governance and Standards Committee will be composed of:

- seven councillors who may include one lead councillor except the lead councillor whose portfolio includes finance and resources. Neither the Leader nor Deputy Leader may be a member or substitute member of the Committee
- up to three co-opted persons who are not councillors or officers of the Council (independent members)
- up to three co-opted members of any parish council in the Council's area (parish members).

(b) **Chairman and Vice-Chairman**

The chairman and vice-chairman of the Committee shall be councillors. Where a lead councillor is appointed as a member of the Committee, they shall not be elected chairman or vice-chairman.

(c) **Voting Rights**

The co-opted independent members and parish members will not be entitled to vote at meetings of the Corporate Governance and Standards Committee or any of its Sub-Committees.

(d) **Independent Members**

Independent members shall be appointed by the Council for an initial term of office expiring in May 2015 and for a four-year term thereafter with serving independent members being eligible for re-appointment each time.

At the end of the term of office, the Council will invite applications from the general public via its website for appointment as co-opted independent members of the Corporate Governance and Standards Committee.

To be eligible for appointment candidates must not be engaged in party political activity, or have been at any time in the preceding five years, a councillor or officer of Guildford Borough Council or be a relative or close friend of a councillor or officer of the Council. Ideally candidates will have significant experience of working at a senior level in a large, complex organisation and have a very good understanding of strategic or financial management or have sat previously on an Audit Committee.

The Monitoring Officer shall short-list candidates and invite them for interview by a panel comprising the Chairman of the Corporate Governance and Standards Committee, the Monitoring Officer and Chief Finance Officer. The panel's recommendations as to appointment of co-opted independent members will be referred to full Council for approval.

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(e) Parish Members

Parish members shall be appointed by the Council for an initial term of office expiring in May 2015 and for a four-year term thereafter with serving parish members being eligible for re-appointment each time.

At the end of the term of office, all parish councils shall be invited to nominate parish councillors as co-opted parish members on the Corporate Governance and Standards Committee. Where there are up to three nominations received, the Council shall consider their formal co-option as parish members on the Committee

Where there are more than three nominations received:

- (i) each of the candidates shall be invited to submit further information in support of their nomination, details of which will be sent to all parish councils in the Borough; and
- (ii) a ballot of parish councils shall be held and the results will be referred to the Council.

The results of the ballot shall inform the Council's decision as to the co-option of parish members.

At least one parish member must be present when misconduct complaints regarding members or co-opted members of parish councils are being considered.

10.2 Statement of Purpose

The Committee has a dual purpose both as an audit committee and a standards committee.

The Committee is a key component of the authority's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

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

With regard to standards, the Committee promotes high standards of conduct by councillors and co-opted members and oversees the arrangements for dealing with allegations of misconduct.

10.3 Role and Function

The Corporate Governance and Standards Committee will have the following roles and functions:

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Audit and Accounts Activity

- (1) To consider reports on the summary of internal audit activity (actual and proposed) and the level of assurance that it can give over the Council's corporate governance arrangements and monitor the progress of high priority actions arising from audit recommendations.
- (2) To consider reports dealing with the management and performance of the providers of the internal and external audit functions.
- (3) To approve the Internal and External Audit Plans, and significant interim changes.
- (4) To consider the external auditor's annual letter (including their audit fee), relevant reports (both financial and strategic) and the report to those charged with governance.
- (5) To consider specific reports submitted by the internal or external auditors.
- (6) To comment on the scope and depth of internal and external audit work and ensuring that it gives value for money.
- (7) To review and approve the annual statement of accounts and Audit Findings Report with specific emphasis on 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.
- (8) To consider reports on the Capital and Investment Strategy prior to their referral to the Executive and Council.
- (9) To consider budget monitoring reports at least on a quarterly basis.

Corporate Governance Activity

- (10) To monitor and review the operation of the Council's Constitution, particularly in respect of financial procedures and protocols, procurement procedures and guidelines and make recommendations, as appropriate, in respect of any proposed amendments to the Executive and Council.
- (11) To consider the Council's arrangements for corporate governance and to recommend such actions necessary to ensure compliance with best practice, together with any relevant corporate governance related issues referred to the Committee by the Joint Chief Executive, any Director, the Leader/Executive or any other committee of the Council.
- (12) To monitor the effective development and operation of risk management undertaken throughout the Council including the review of the Corporate Risk Register.
- (13) To consider and approve the Council's Annual Governance Statement in advance of the formal approval of the Council's Statement of Accounts.
- (14) To consider an annual report of the operation of the whistle-blowing policy, including incidents reported.

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- (15) To monitor and audit the Council's equalities and diversity policies and approve the Equality Scheme and associated action plan.
- (16) To monitor bi-annually the Council's performance in dealing with Freedom of Information and Environmental Information Regulations requests.
- (17) To monitor the Council's progress on various data protection and information security initiatives.
- (18) To consider annual reports on the work of task groups appointed by the Committee, together with other matters submitted to the Committee periodically by those task groups
- (19) To consider bi-annually Planning Appeals Monitoring Reports and S106 Monitoring Reports.
- (20) To consider an annual report on the exercise of powers under the Regulation of Investigatory Powers Act 2000

Ethical Standards Activity

- (21) To promote and maintain high standards of conduct by councillors and co-opted members.
- (22) To advise the Council on the adoption or revision of the Councillors' code of conduct.
- (23) To advise, train or arrange to train councillors and co-opted members on matters relating to the Councillors' code of conduct.
- (24) To agree arrangements for the selection and interviewing of candidates for appointment as Independent Persons (including such joint arrangements with other councils as may be deemed by the Monitoring Officer to be appropriate) and to make recommendations to full Council on these appointments.
- (25) To agree allowances and expenses for the Independent Persons.
- (26) To grant dispensations, after consultation with the independent person, to councillors and co-opted members with disclosable pecuniary interests.
- (27) To implement, monitor and review the operation of the code of conduct for staff and the Protocol on Councillor/ Officer Relations and to make recommendations as appropriate to Council in respect of any necessary amendments.
- (28) To consider the Monitoring Officer's Annual Report on misconduct complaints against councillors, and any other matter referred by the Monitoring Officer.

10.4 Accountability arrangements

To report to those charged with governance on the Committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions.

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To 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.

10.5 Assessment Sub-Committee

- (a) The Monitoring Officer may refer any ethical standards complaint to the Assessment Sub-Committee for assessment in accordance with the Arrangements for dealing with allegations of misconduct by councillors and co-opted members as set out in Part 5 of this Constitution. The Sub-Committee has all the powers of the Monitoring Officer in this regard, including determining whether to investigate allegations of misconduct by councillors or co-opted members in circumstances where such determination by the Monitoring Officer is considered by him/her to be inappropriate.
- (b) The Assessment Sub-Committee shall be politically balanced and comprise of five voting members of the Corporate Governance and Standards Committee. The composition of the Sub-Committee shall be determined by the Monitoring Officer after consultation with the Chairman of the Corporate Governance and Standards Committee. A chairman shall be elected from among the voting members.

10.6 Hearings Sub-Committee

- (a) The Hearings Sub-Committee shall conduct local hearings in accordance with arrangements adopted by the Council under which decisions on misconduct allegations against councillors and co-opted members (including members and co-opted members of parish councils in the Council's area) can be made.
- (b) The Hearings Sub-Committee shall be politically balanced and comprise of five voting members of the Corporate Governance and Standards Committee. The composition of the Sub-Committee shall be determined by the Monitoring Officer after consultation with the Chairman of the Corporate Governance and Standards Committee. A chairman shall be elected from among the voting members.
- (c) The Independent Person must be present when misconduct complaints against councillors and co-opted members are being considered by the Hearings Sub-Committee.
- (d) At least one co-opted parish member of the Committee and the Independent Person must be present when misconduct complaints against members or co-opted members of parish councils are being considered by the Hearings Sub-Committee.
- (e) The Hearings Sub-Committee shall determine, by way of a hearing, those allegations of misconduct by councillors or co-opted members where a formal investigation has found evidence of failure to comply with the Councillors' code of conduct and where a local resolution has not been agreed.
- (f) The Hearings Sub-Committee shall determine, following a hearing and a finding that a councillor or co-opted member has failed to comply with the Councillors' code of conduct, such action as may be deemed appropriate and proportionate.
- (g) The Hearings Sub-Committee shall make recommendations, following a hearing, to any parish council in the Council's area on action to be taken against

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any councillor or co-opted member of that parish council found to have failed to comply with that council's code of conduct.

10.7 Arrangements for investigation and determination of misconduct allegations

The arrangements adopted by the Council for the investigation and determination of misconduct allegations, including the procedure for the conduct of local hearings by the Hearings Sub-Committee are set out in Part 5 of this Constitution.