



CONSTITUTION 2014-2015

**Approved by Council on
[9] June 2014**

Meetings of the City Council

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Representation on Outside Bodies and Community Bodies including Fora	(Please see Part 6 Schedule 1)	

8. Audit and Governance Committee

The Committee shall have the functions, powers and responsibilities set out below and in Article 8 of this Constitution.

Membership: 7 (Quorum 3) [Politically Proportional].

Comprising: Non-Executive Members.

Frequency

of Meetings: 5 4 meetings per annum together with such other meetings as the Committee Chair shall consider necessary or appropriate.

Comment [s1]: Recommendations of Audit and Governance Committee (17 March 2014) and Constitutional And Electoral Working Group (25 March 2014)

Requirement: All Members appointed to the Audit and Governance Committee shall be obliged to receive regular and appropriate training, and frequent updates.

(a) Role:

Governance, risk and control

- (i) To review the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.
- (ii) To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.
- (iii) To consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- (iv) To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the Council.
- (v) To monitor the effective development and operation of risk management in the Council.
- (vi) To monitor progress in addressing risk-related issues reported to the Committee.
- (vii) To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- (viii) To review the assessment of fraud risks and potential harm to the Council from fraud and corruption.
- (ix) To monitor the counter-fraud strategy, actions and resources.

Internal Audit

- (x) To approve the internal audit charter.
- (xi) To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.
- (xii) To approve the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
- (xiii) To approve significant interim changes to the risk-based internal audit plan and resource requirements.
- (xiv) To make appropriate enquiries of both management and the Head of internal audit to determine if there are any inappropriate scope or resource limitations.
- (xv) To consider reports from the Head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:-
 - a. Updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work.
 - b. Regular reports on the results of the Quality Assurance and Improvement Programme.
 - c. Reports on instances where the internal audit function does not conform to the Public Sector Internal Audit Standards and Local Government Application Note, considering whether the non-conformance is significant enough that it must be included in the Annual Governance Statement.
- (xvi) To consider the Head of internal audit's annual report:
 - a. The statement of the level of conformance with the Public Sector Internal Audit Standards and Local Government Application Note and the results of the Quality Assurance and Improvement Programme that supports the statement.
 - b. The opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control together with a summary of the work supporting the opinion.
- (xvii) To consider summaries of specific internal audit reports as requested.
- (xviii) To receive reports outlining the action taken where the Head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.

- (xix) To contribute to the Quality and Improvement Programme and in particular, to the external quality assessment of internal audit that takes place at least once every five years.
- (xx) To consider a report on the effectiveness of internal audit to support the Annual Governance Statement, where required to do so by the Accounts and Audit Regulations.
- (xxi) To support the development of effective communication with the Head of internal audit.

External Audit

- (xxii) To consider the external auditor's annual letter, relevant reports, and the report of those charged with governance.
- (xxiii) To consider specific reports as agreed with the external auditor.
- (xxiv) To comment on the scope and depth of external audit work and to ensure it gives value for money.
- (xxv) To commission work from internal and external audit.
- (xxvi) To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

Financial reporting

- (xxvii) To review the statement of accounts. Specifically, to consider 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.
- (xxviii) To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

Accountability arrangements

- (xxix) 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.
- (xxx) To report to full Council on a regular basis on the Committee's performance in relation to the terms of reference and the effectiveness of the Committee in meeting its purpose.

Constitution and Standards

- (xxxi) To consider and review changes to the Council's constitution in respect of Contract Standing Orders, Financial Regulations, and Codes of Conduct and behaviour.
- (xxxii) To monitor the operation of the Council's codes and protocols (see Part 5 of this Constitution) and the Council's complaints process and to advise the Council on the adoption or revision of such codes.
- (xxxiii) To consider the Council's compliance with its own published standards and controls.
- (xxxiv) To review any issues referred to it by the a Corporate Director or any Council body.
- (xxxv) To receive allegations and any accompanying report from the Monitoring Officer and to refer the allegation to the Monitoring Officer for formal investigation or informal resolution.
- (xxxvi) To set up, where necessary, a Hearings Panel to consider any alleged breach of the Members' Code of Conduct.
- (xxxvii) To promote and maintain high standards of conduct by Councillors and co-opted Members.

- (xxxviii) To assist Councillors and co-opted Members to observe the Members' Code of Conduct.**
- (xxxix) To advise the Council on the adoption, revision of, or publicity on the Members' Code of Conduct.**
- (xl) To advise, train or arrange to train Councillors and co-opted Members on matters relating to the Members' Code of Conduct.**
- (xli) To grant dispensations to Councillors and co-opted Members from the requirements relating to interests set out in the Members' Code of Conduct or other Council codes and protocols where:**
 - (a) without the dispensation, the representation of different political groups on the body transacting the business would be so upset as to alter the outcome of any vote on the matter;**
 - (b) the Committee considers that the dispensation is in the interests of persons living in the Council's area; or**
 - (c) the Committee considers that it is otherwise appropriate to grant a dispensation.**
- (xlii) To consider appeals against decisions made by the Monitoring Officer in exercise of their dispensation powers;**
- (xliii) To set up, where necessary, a Sub-Committee to shortlist and interview candidates for the role of Independent Person and to make recommendations to Council regarding the appointment of Independent Persons.**
- (xliv) To provide such advice and assistance as appropriate regarding the appointment of the Independent Person as required under Part 7 of the Localism Act 2011.**
- (xlv) To set the allowances and expenses payable to the Independent Person and Reserve Independent Persons.**

Comment [s2]: Recommendations of Audit and Governance Committee (17 March 2014) and Constitutional And Electoral Working Group (25 March 2014)

- (b) The power and responsibilities of the Committee shall be as follows:
 - (i) The ability to require the Leader and Cabinet Members to attend and be questioned on audit, risk management and corporate governance matters relating to their roles and responsibilities.
 - (ii) The ability to require the Head of Paid Service, and Corporate Directors to attend and be questioned on audit, risk management and corporate governance matters relating to their roles and responsibilities.
 - (iii) The power to call expert witnesses from outside the Council to give advice on matters under review or discussion.
 - (iv) To discharge powers under section 101 of the Local Government Act 1972 acting as a Sub-Committee of the Council for Statement of Auditing Standards (610) purposes.
 - (v) To approve the Statement of Accounts and the Annual Governance Statement.
 - (vi) To approve the Internal Audit Periodic Plan, receive reports on progress and as a consequence approve any material changes to the plan.
- (c) All other matters will be recommended, as appropriate, to the Council, Leader, Cabinet or other Council body for decision.
- (d) Delegation to Officers

Those functions relating to statutory financial, audit and legal functions which have been delegated to officers are set out in the Council's Scheme of Delegation in Part 3 to this Constitution.

Part 5 - Codes and Protocols

COUNCIL PROCEDURE RULES

Introduction

The Council Procedure Rules (Democratic Standing Orders) deal with the operation, procedures and practices related to Council, Cabinet and Committee meetings. These rules include both statutory requirements and locally agreed procedures.

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1. ANNUAL MEETING OF THE COUNCIL

1.01 Timing and Business

In a year when there is an ordinary election of Councillors, the annual meeting shall take place within 21 days of the retirement of the outgoing Councillors. In any other year, the annual meeting shall take place in May.

The annual meeting shall:

- (i) elect a person to preside if the Mayor (Chair) or Sheriff and Deputy Mayor (Vice-Chair) of Council are not present;
- (ii) elect the Mayor (Chair) of Council;
- (iii) elect the Sheriff and Deputy Mayor (Vice-Chair) of Council;
- (iv) approve the minutes of the last meeting;
- (v) receive any announcements from the Mayor and/or the Head of Paid Service;
- (vi) receive any declarations of interests from Members;
- (vii) elect the Leader;
- (viii) appoint at least one Overview and Scrutiny Committee and such other Committees as the Council considers appropriate to deal with matters which are neither reserved to the Council nor are Executive functions (as set out in Part 3, Table 1 of this Constitution);
- (ix) agree the scheme of delegation or such part of it as the Constitution determines it is for the Council to agree functions (as set out in Part 3, Table 1 of this Constitution); and
- (x) consider any business set out in the notice convening the meeting.

1.02 Selection of Councillors on Committees and Outside Bodies

At the annual meeting, the Council meeting shall:

- (i) decide which Committees to establish for the municipal year;
- (ii) decide the size and terms of reference for those Committees;
- (iii) decide the allocation of seats [and substitutes] to political groups in accordance with the political balance rules;
- (iv) receive nominations of Councillors to serve on each Committee; and
- (v) appoint to those Committees and outside bodies except where appointment to those bodies has been delegated by the Council or is exercisable only by the Executive.

2. ORDINARY MEETINGS ORDER OF BUSINESS

2.01 Programme of ordinary meetings

The programme of ordinary meetings of the Council will be agreed at an ordinary meeting of Council on an annual basis.

[Note: The programme of ordinary meetings of the Council will normally cover at least an 18 month period]

2.02 Ordinary meetings shall:

- (i) elect a person to preside if the Mayor (Chair) and Sheriff and Deputy Mayor (Vice-Chair) are not present;
- (ii) approve the minutes of the last meeting;
- (iii) deal with any business from the last Council meeting;
- (iv) receive any declarations of interest from Members and officers;

Part 5 - Codes and Protocols

- (v) receive questions from, and provide answers to, the public in relation to matters which in the opinion of the person presiding at the meeting are relevant to the business of the meeting;
- (vi) receive petitions and deputations from the public;
- (vii) receive any announcements from the Mayor, Leader, Members of the Cabinet, Overview and Scrutiny Committee Chair, **Licensing and Enforcement Committee Chair, Planning Committee Chair, Audit and Governance Committee Chair** or the Head of Paid Service;
- (viii) consider any other business specified in the summons to the meeting, including consideration of proposals from the Cabinet in relation to the Council's Budget and Policy Framework, Members' Question Time (oral and written questions) and reports of the Overview and Scrutiny Committee for debate;
- (ix) consider the report of the Corporate Director of Resources concerning recommendations to Council from other Committees;
- (x) consider motions;
- (xi) receive reports from the Cabinet and the Council's Committees and receive questions and answers on any of those reports;
- (xii) an exception to the above rules will apply to the budget meeting of Council by the omission of Members' Question Time and issue debate business.