

## **APPENDIX 1**

### **AUDIT AND STANDARDS COMMITTEE**

#### **1. Function and Purpose**

**(i) The function of the Audit and Standards Committee is to provide an independent and high-level resource to support good governance and strong public financial management.**

**(ii) The purpose of the committee in relation to audit is to provide to those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes. By overseeing internal and external audit it also makes an important contribution to ensuring that effective assurance arrangements are in place.**

**(iii) The purpose of the committee in relation to standards is to promote and maintain the highest ethical standards and conduct by councillors. The committee is responsible for operating a locally based system for initial assessment of complaints that a member may have breached the Code of Conduct.**

#### **2. Audit Activity**

(i) Considering the Chief Internal Auditor's annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the authority's corporate governance arrangements.

(ii) Receiving other reports from the Chief Internal Auditor who may report directly to the Chairman of the Committee if deemed necessary.

(iii) Approving (but not directing) internal audit's strategy, plan and performance.

(iv) Considering summaries of specific internal audit reports as requested.

(v) Considering reports dealing with the management and performance of internal audit.

(vi) Considering reports from the Chief Internal Auditor on agreed recommendations not implemented within a reasonable timescale.

**(vii) In relation to the authority's internal audit function:**

- **overseeing its independence, objectivity, performance and professionalism**
- **supporting the effectiveness of the internal audit process**
- **promoting the effective use of internal audit within the assurance framework.**

(viii) Considering the external auditor's annual letter, relevant reports and the report to those charged with governance.

(ix) Considering specific reports as agreed with the external auditor.

(x) Receiving other reports from the external auditor who may report directly to the Chairman of the Committee if deemed necessary.

(xi) Commenting on the scope and depth of external audit work and ensuring it gives value for money.

(xii) Under current legislation appointing the council's external auditor.

(xiii) Commissioning work from internal and external audit.

(xiv) Supporting effective relationships between external and internal audit, inspection agencies and relevant bodies, and that the value of the audit process is actively promoted.

(xv) Meeting the external auditor and Chief Internal Auditor in private if deemed necessary.

### **3. Regulatory framework**

(i) Maintaining an overview of the council's constitution in particular the Contracts Procedure Rules, Financial Regulations and Codes of Conduct.

(ii) Advising the Council on changes to the Constitution.

(iii) Reviewing any issue referred to it by the Chief Executive or a Director, or any council body.

**(iv) Considering the effectiveness of the authority's risk management arrangements and the control environment.**

**(v) Reviewing the risk profile of the authority and assurances that action is being taken on risk-related issues, including partnerships with other organisations.**

(vi) Ensuring that the authority's assurance statements, in particular the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it **and demonstrate how governance supports the achievements of the authority's objectives.**

(vii) Overseeing the council's arrangements for corporate governance and agreeing necessary action to ensure compliance with best practice.

**(viii) Considering the reports and recommendations of external audit and inspection agencies and their implications for governance, risk management or internal control.**

**(ix) Monitoring arrangements for ensuring value for money and for managing the authority's exposure to the risks of fraud and corruption.**

(x) Monitoring council policies on Whistleblowing and the Anti-Fraud and Corruption Policy and Strategy and the council's complaints process.

**(xi) Considering governance, risk or control matters at the request of other committees or statutory officers.**

(xii) Considering the council's compliance with its own and other published standards and controls

**(xiii) Reviewing and monitoring treasury management arrangements in accordance with the CIPFA Treasury Management Code of Practice.**

### **4. Accounts**

(i) Reviewing and approving the Annual Statement of Accounts. Specifically, considering 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.

**(ii) Considering the external auditor's opinion to those charged with governance on the financial statements and reports to members, and monitoring management action in response to the issues raised by external audit.**

### **5. Standards**

(i) To assist the Council in fulfilling its duty under the Localism Act 2011 to promote and maintain high standards of conduct by members.

**(ii) To support ethical values and review the arrangements to achieve those values.**

(iii) To monitor and advise the Council about the adoption, revision and operation of its Code of Conduct in the light of best practice and any changes in the law.

(iv) To keep under review the arrangements for dealing with allegations that a member of the Council or a member of a town or parish council within the Council's district has failed to comply with the relevant Code of Conduct.

(v) To determine whether a member for the Council or a member of a town or parish council within its district has failed to comply with the relevant Code of Conduct.

(vi) Where it finds that a failure to comply with the Code of Conduct has occurred, to determine what action, if any, to take.

(vii) To assist the Council with the appointment of an Independent Person(s) as required by the Localism Act 2011.

(viii) To determine any request for a dispensation under Section 33 of the Localism Act 2011.

(ix) To advise the Council on, and review as necessary, any local Protocols regulating the conduct of Members and to deal with allegations of breach of any such Protocol.

(x) To consider reports referred by the Monitoring Officer.

(xi) To respond on behalf of the Council to national reviews and consultations on standards related issues.

(xii) To consider and make recommendations to the Council on any other matter that may be referred to the Committee relating to the conduct of members within the authority.

## **6. Arrangements**

The Committee will:

(i) meet a minimum of four times each year, (timetable to be agreed)

(ii) have the authority to request the attendance of any elected Member or Officer of the Authority

**(iii) have the right to report to all other committees, corporate risk groups and other strategic groups**

**(iv) consider and assess the performance of the committee annually**