

Proposed Updated Audit and Standards Committee Terms of Reference - Appendix 1

<p>Audit and Standards Committee</p> <p>The Chair of the Audit and Standards Committee to be drawn from outside the group or groups forming the administration.</p> <p>To include an Independent Member who is not a councillor or an officer of the Council.</p>	<p>(1) Statement of Purpose</p> <ul style="list-style-type: none">• The Audit and Standards Committee is a key component in the Council's corporate governance structure ensuring compliance and maintenance of high ethical standards. 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 Council of the adequacy of the risk management framework and the internal control environment. It provides 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 and external audit, helping to ensure efficient and effective assurance arrangements are in place. <p>(2) Governance, Risk and Control</p> <ul style="list-style-type: none">• To review the Council's corporate governance arrangements against the good governance framework, including the ethical framework and consider the local Code of Corporate Governance.• To review and approve the Annual Governance Statement (AGS) and consider whether it properly reflects the risk environment, taking into account internal audit's opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.• To consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.• To consider the adequacy of Council's framework of assurance i.e. the Three Lines of Defence model.• Undertaking regular monitoring of the Council's treasury management policies and practices.• To monitor the effective development and operation of risk management in the Council and to monitor progress in addressing risk-related issues reported to the committee.• To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.• To review the governance and assurance arrangements for significant partnerships or collaborations.
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(3) Ethical Governance / Conduct

- To review the assessment of fraud risks and potential harm to the Council from fraud and corruption.
- To monitor the counter-fraud strategy, actions and resources.
- To be responsible, in consultation with the Monitoring Officer, for all matters relating to the Members Code of Conduct
- Keeping under review a Code of Conduct to promote high ethical standards amongst Officers and to promote and maintain high standards of conduct by Officers.
- Keeping under review the Council's 'whistle-blowing' policy.
- Keeping under review the Council's arrangements for handling complaints and investigations by the Local Government Ombudsman.
- To promote, maintain and assist the achievement of high standards of conduct by Councillors and co-opted members in accordance with the Council's Code of Conduct for Members.
- To monitor the operation of the Code of Conduct for Members and be responsible for dealing with any matters referred to the Committee by the Monitoring Officer.
- To advise the Council on any amendment or revision of the Code.
- To secure mandatory training of Councillors and co-opted Members on the Code of Conduct for Members.
- To keep under review the Register of Members' Interests maintained by the Monitoring Officer.
- To keep under review the Register of Gifts and Hospitality maintained by the Monitoring Officer
- To establish a Sub-Committee to hear allegations that Members have failed to comply with the Authority's Code of Conduct.
- To assess and review allegations of Member misconduct and to determine allegations of Member misconduct.

(4) Internal Audit

- To approve the Internal Audit Charter and Code of Ethics.
- To review proposals made in relation to the appointment of external providers of internal audit services.
- To review and approve the risk-based internal audit plan.

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	<ul style="list-style-type: none">• To approve significant interim changes to the risk-based internal audit plan and resource requirements, including significant consulting services not already included in the audit plan, prior to acceptance of the engagement, if this materially impacts on core assurance activity.• To make appropriate enquiries of both management and the Head of Internal Audit to determine if there are any inappropriate scope or resource limitations.• To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Head of Internal Audit. To approve and periodically review safeguards to limit such impairments.• To contribute to the Quality Assurance and Improvement Programme (QAIP) and to the external quality assessment of internal audit that takes place at least once every five years.• 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.• To consider the Head of Internal Audit's annual report and the 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 – these will assist the committee in reviewing the AGS.• 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.• To provide free and unfettered access to the committee chair for the Head of Internal Audit, including the opportunity for a private meeting with the Committee. <p>(5) External Audit</p> <ul style="list-style-type: none">• To support 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 Ltd (PSAA) or the authority's auditor panel as appropriate.• To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.
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	<ul style="list-style-type: none"> • To monitor management’s response to the External Auditor’s findings and the implementation of External Audit recommendations. • To commission work from internal and external audit. • To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies. <p>(6) Financial Reporting</p> <ul style="list-style-type: none"> • To review and approve the annual 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. • To consider the external auditor’s report to those charged with governance on issues arising from the audit of the accounts. <p>(7) Accountability Arrangements</p> <ul style="list-style-type: none"> • 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. • 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. • To publish an annual report on the work of the Committee. <p>Note: The Committee has the right to require the attendance of any council officers or members in order to respond directly to any issue under consideration. In addition, the Committee has clear rights of access to other committees/functions, for example service committees, risk management group and other strategic groups.</p>
<p>Sub-Committee</p> <p>5 Councillors proportional to the political composition of the Council. Two Independent Persons</p> <p>Quorum of 3 present for its duration which must include at least one Independent Person</p>	<ol style="list-style-type: none"> 1. To receive reports referred from the Monitoring Officer following investigations into complaints against District and Parish Councillors and other steps associated with that function. 2. To conduct standards hearings and all other steps associated with that function in relation to the District and Parish Councils, including the imposition of sanctions for District Councillors and making recommendations on sanctions to Parish Councils taking into account the advice of the Independent Person.

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	<p>3. If the panel determines that a breach of the Authority's Code of Conduct has occurred, the panel can impose one or more of the following if appropriate:</p> <ul style="list-style-type: none">a) Censure;b) Report to Council;c) Recommend actions to the Leader of the Council;d) Recommend actions to Group Leader;e) Removal from Outside Bodies;f) Withdrawal of facilities, such as Council email/website/internet access;g) Exclusion from the Council offices or other premises with the exception of meeting rooms as necessary for attending Council, Committees or Sub-Committees and/or nominating a single point of contact; and/orh) Requesting the Member to undertake actions deemed appropriate e.g. training, issue of an apology. <ul style="list-style-type: none">• To set-up when necessary an interview panel comprising of the lead members of each party to shortlist and interview candidates for the role of Independent Person.• To recommend successful candidates to the Council to be chosen by a majority of Councillors.
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