

Appendix 1

Audit and Standards Committee Terms of Reference

1 Purpose

- a) Provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment, and to oversee the financial reporting process.
- b) Promote and maintain high standards of conduct by Members and Co-opted Members of the Council.

2 Membership

- 2.1 The Standards Committee shall consist of seven members of the District Council. The quorum shall be four.

Up to 3 co-opted non-voting town/parish members may participate in Standards, but not Audit, matters.

- 2.2 The terms served by town/parish members shall run concurrently with the term of office of the District Councillors.
- 2.3 The Chair shall be elected from a non-Cabinet member of the Minority Group.
- 2.4 Duty to appoint one or more independent persons for the following purposes:-
- (a) to give the Council views on any allegations it has decided to investigate, before a decision is reached;
 - (b) at the discretion of the Council, to give the Council views on any other allegations; and
 - (c) at the discretion of a Member, Co-opted Member or Member of Town/Parish Council, to give the Member views on any allegations relating to the behaviour of that Member.

3 Powers and Duties

- 3.1 To review progress with the External Auditor on audit systems and final audits and respond to any matters raised by the External Auditor. A meeting between the External Auditor and members of the Audit Committee can be held at the request of either party;
- 3.2 To review the External Auditor's Management Letter and the conclusions of Value for Money Studies and make recommendations to the Cabinet

- 3.3 To keep under review the probity and the effectiveness of internal controls, both financial and operational, including the Council's arrangements for identifying and managing risk;
- 3.4 To keep the effectiveness of management arrangements under review to ensure legal and regulatory compliance;
- 3.5 To review the effectiveness of corporate governance arrangements;
- 3.6 To agree a three year strategic audit programme and annual programme and keep them under review:
 - to ensure co-ordination between internal and external auditors, and
 - to make recommendations to the Cabinet to ensure that the internal audit function is adequately resourced and is able to discharge its functions effectively;
- 3.7 To consider the significant findings of internal audit investigations, the responses of Chief Officers to those findings and any matters the Head of Audit and Performance may wish to discuss (in the absence of Chief Officers if necessary);
- 3.8 To consider the Head of Audit and Performance's Annual Report and to report annually to the Cabinet on the adequacy and effectiveness of internal controls within the Council;
- 3.9 To commission work from internal and external audit;
- 3.10 To maintain an overview of the Council's Constitution in terms of contract procedure rules, financial regulations and codes of conduct and behaviour;
- 3.11 To oversee production of the Annual Governance Statement and recommend its adoption;
- 3.12 To monitor Council policies on Whistleblowing and Anti-Fraud and Corruption;
- 3.13 To review the annual statement of accounts, and consider whether the appropriate accounting policies have been followed and whether there are any concerns that need to be brought to the attention of the Council; and to approve the Council's annual accounting statements.
- 3.14 To review Treasury Management Policies and the Treasury Strategy and to recommend any changes to those documents to Cabinet for consideration.
- 3.15 *To exercise the duty to adopt a Code of Conduct dealing with the conduct expected of Members and Co-opted Members of the council when acting in that capacity [s27(2)] and (ii) including provision in

respect of the registration and disclosure of (a) pecuniary interests and (b) interests other than pecuniary interests. [s28(2)]

- 3.16 *To exercise the power to revise the existing Code of Conduct or adopt a replacement Code of Conduct. [s28(5)]
- 3.17 To exercise the duty to put in place arrangements to investigate and make decisions on written allegations that a Member or Co-opted Member of the Council has failed to comply with the Code of Conduct. [s28(6)]
- 3.18 To exercise the power to have regard to a Member's or Co-opted Member's failure in complying with the Code of Conduct, in deciding whether to take action in relation to that Member and what action to take.
- 3.19 To exercise the power to grant a Member or Co-opted member a dispensation from the restriction on speaking and/or voting when any matter in which that person has a disclosable pecuniary interest is to be considered at a meeting of the Council or any of its committees, sub-committees, joint committees or joint sub-committees.

NB (a) items above marked * can only be discharged by the full Council and cannot be delegated under s 101 Local Government Act 1972. [s28(13) & (14)].

NB (b) Sched 4 para 4 of the Localism Act amends section 3A of the Local Government and Housing Act 1989 (grant and supervision of exemptions from political restriction: England) by removing the powers of the standards committee and transferring them to the head of paid service.

NB (c) The power of the Secretary of State to make regulations to introduce a Code of Conduct for Local Government Employees in England will be repealed by Sched 4 para 49.

4 Summary of Monitoring Officer's functions

- 4.1 Duty to establish & maintain a register of interests of Members and Co-opted Members of the Council. [s29(1)]
- 4.2 Power to remove entries from the register of interests once the person concerned no longer has the interest or is no longer a Member or Co-opted member of the Council. [s29(3)]
- 4.3 Duty to make register of interests available for public inspection and publish on Council's website. [s29(5)]
- 4.4 Similar duties and power in relation to register of interests for Town/Parish Councils as in 1, 2 & 3 above, including placing the

Town/Parish register on that Council's website if it has one. [s29(4), (6) & (7)]

- 4.5 Duty to register pecuniary interests which are notified by a Member or Co-opted Member to the Monitoring Officer pursuant to section 31 of the Localism Act after arising and being declared at a meeting. [s31(9)]
- 4.6 Power to exclude the details of sensitive interests from the register of interests. [s32(1)]

NB – the following need checking:-

There are as yet no Regulations under the new standards provisions in the Localism Act – when these are made they may well introduce additional functions for the Committee & Monitoring Officer.