# AUDIT, STANDARDS AND GOVERNANCE COMMITTEE PROCEDURE RULES

## 1. Role of the Audit, Standards and Governance Committee

1.1 The Council has established an Audit, Standards and Governance Committee.

1.2 The Audit, Standards and Governance Committee works independently of the Council's Executive and Scrutiny to provide assurance to the Council on the effectiveness of its governance arrangements.

1.3 The ultimate responsibility for audit rests with the Portfolio Holder with responsibility for finance and the Section 151 Officer. Therefore, the Audit, Standards and Governance Committee can make recommendations but it is not the role of the Audit, Standards and Governance Committee to be a substitute for management of Internal Audit.

1.4 The Audit, Standards and Governance Committee do not have the power to make decisions with regard to Internal Audit or to direct officers with regard to Internal Audit.

1.5 The Audit, Standards and Governance Committee shall work in partnership with the Council's Monitoring Officer, Deputy Monitoring Officer, Leaders of the Political Groups and the Portfolio Holder with responsibility for corporate governance to support the promotion and maintenance of high standards of conduct by Councillors and co-opted members of Council bodies.

## 2. Terms of Reference

2.1 The terms of reference of the Audit, Standards and Governance Committee are as follows:

1. Stewardship and Audit

   To provide independent assurance to the Council in relation to:

   a. The effectiveness of the Council's governance arrangements, risk management framework and internal control environment, including overseeing:
      - Risk management strategies;
      - Anti-fraud arrangements;
      - Whistle-blowing strategies;
      - Internal and external audit activity
      - Democratic Governance

b. the effectiveness of the Council's financial and non-financial performance to the extent it affects exposure to risk and poor internal control;

c. the annual governance statement.

d. The review of the annual statement of accounts, confirming the appropriate accounting policies have been followed, including the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

a. 2. Annual statement of accounts/ recommendations to CouncilTo consider and approve the Council's annual statement of account.

b. To review the annual strategy, treasury management policy and procedures and make recommendations to Council.

**3.** Appointment of External Auditors

a. To arrange the recruitment and operation of the Council's Auditor Panel and to recommend the appointment of external auditors in accordance with the requirements of the Audit and Accountability Act 2014.

**4.** Standards

a. Promote and maintain high standards of conduct by Councillors and any co-opted members of Council bodies.

b. Assist Councillors and co-opted members to observe the Members' Code of Conduct.

c. Advise the Council on the adoption or revision of the Members' Code of Conduct.

d. Monitor the operation of the Members' Code of Conduct.

e. Advise, train or arrange to train Councillors and co-opted members on matters relating to the Members' Code of Conduct.

f. Formulate advice for Members and officers on declarations of gifts and hospitality and monitor and review the arrangements for recording interests, gifts and hospitality.

g. Grant dispensations to Councillors and co-opted members from requirements relating to interests set out in the Members' Code of Conduct.

h. For both District and Parish Councils, deal with any report from the Monitoring Officer following an investigation into a complaint concerning the Members' Code of Conduct.

i. For both District and Parish Councils, consider and determine allegations

that a Councillor or co-opted Councillor may have failed to follow the Code of Conduct and where a breach of the Code is established, impose sanctions as delegated by full Council or make recommendations as to any sanctions to the appropriate person or body.

j. Monitor and review the operation of the Protocol on Member-Officer relations.

k. Monitor and review the operation of the Protocol on Member-Member relations.

2.2 Within those terms of reference, the Audit, Standards and Governance Audit will:

Audit

a. agree the annual and strategic audit plans;

b. review Internal Audit's progress against the audit plan and consider Internal Audit performance measures;

c. receive and consider a summary of work undertaken by Internal Audit since the last meeting, plus current status;

d. receive and consider executive summaries of financialprocess/procedures

e. receive and consider executive summaries of Value For Money reports;

f. receive and consider executive summaries of contract audit reports;

g. receive and consider executive summaries of any specialinvestigations undertaken by Internal Audit.

h. receive and consider a chronological summary of Internal Audit reports awaiting departmental response and address any evident problems.

i. monitor the proportion of key recommendations actioned since the previous meeting.

j. consider all external audit reports including the Annual Audit Letter.

Standards

k. receive and consider a quarterly report from the Monitoring Officer detailing any Code of Conduct issues which have arisen since the last quarterly report, an update on Member training and any requests for dispensations.

l. deal with any report from the Monitoring Officer following an investigation into a complaint concerning the Members' Code of Conduct.

m. through the operation of a Hearings Sub-Committee, consider and determine allegations that a Councillor or co-opted member may have failed to follow the Code of Conduct and where a breach of the Code is established impose sanctions as delegated by Full Council or make recommendations as to any sanctions to the appropriate person or body.

n. the exercise of k – m above in relation to the Parish Councils in the Council's area and the members of those Parish Councils.

## 3. Composition

3.1 The Audit, Standards and Governance Committee will comprise 11 Councillors. All Councillors except members of the Cabinet may be members of the Audit, Standards and Governance Committee.

3.2 The Portfolio Holder with responsibility for finance shall be expected to attend each meeting of the Audit, Standards and Governance Committee. He/she may participate in the meeting but may not vote.

## 4 Co-optees

4.1 The Audit, Standards and Governance Committee shall be entitled to recommend to Council the appointment of a number of people as non-voting co-optees of the Committee.

4.2 The Audit, Standards and Governance Committee will include among its membership 2 Parish Representatives, who may not also be District Councillors.

## 5 Chairman

5.1 At its first meeting following the Annual Council Meeting the Audit and, Governance Committee will:

a. appoint one of its members as Chairman; and

b. appoint one of its members as Vice-Chairman.

## 6 Meetings of the Audit, Standards and Governance Committee

6.1 There shall be at least 4 ordinary meetings of the Audit, Standards and

Governance Committee in each year.

6.2 Extraordinary meetings may be called from time to time as and when appropriate.

6.3 A meeting of the Audit, Standards and Governance Committee may be called by the Chairman of the Committee, by any 4 members of the Audit, Standards and Governance Committee or by the Chief Executive or Monitoring Officer if he/she considers it necessary or appropriate.

6.4 Where a Member of the Audit, Standards and Governance Committee is unable to attend a meeting of the Committee a substitute may attend in his or her place. -

## 7 Quorum

The quorum for a meeting of the Audit, Standards and Governance Committee shall be 5 voting members.

## 8 Attendance of officers at meetings

8.1 The Section 151 Officer or his/her deputy shall be expected to attend each meeting of the Audit, Standards and Governance Committee.

8.2 The Monitoring Officer or his/her deputy shall be expected to attend each meeting of the Audit, Standards and Governance Committee.

8.3 The Audit Services Manager or his/her deputy shall be expected to attend each meeting of the Audit, Standards and Governance Committee.

## 9 Participation in Meetings

No member of the Audit, Standards and Governance Committee may be involved in the consideration of a decision in which he/she has been directly involved. If any member of the Audit, Standards and Governance Committee finds that a decision in which he/she has been directly involved is to be considered, he/she shall declare the fact to the Committee and take no part in the discussion and voting in the part of the meeting which relates to that decision.

## 10 Work Programme

10.1 The Audit, Standards and Governance Committee will be responsible for setting its own work programme and in doing so shall take into account of:

a. the views of members of the Audit, Standards and Governance Committee who are not members of the largest political group on the Council;

b. suggestions of matters for consideration made by the Cabinet;

c. suggestions of matters for consideration made by the Council;

d. the views of the Auditor Panel regarding the maintenance of an independent relationship with the local auditor appointed to audit the Council's accounts.

## 11 Procedure at Audit, Standards and Governance Committee meetings

The Audit, Standards and Governance Committee shall at each meeting consider the following business:

a. consideration of the accuracy of the minutes of the last meeting;

b. declarations of interest;

c. responses of the Cabinet to reports of the Audit, Standards and Governance Committee; and

d. matters set out on the agenda for the meeting in accordance with paragraph 12 below.

## 12 Agenda items

12.1 Any member of the Audit, Standards and Governance Committee shall be entitled to give notice to the Section 151 Officer or Monitoring Officer that he/she wishes an item relevant to the functions of the Audit, Standards and Governance Committee to be included on the agenda for the next available meeting of the Committee. On receipt of such a request the Section 151 Officer or Monitoring Officer will ensure that it is included on the next available agenda.

12.2 Where a matter is referred to the Audit, Standards and Governance Committee by the Council, it shall be considered at either the first or second ordinary meeting of the Committee following the referral.

12.3 The Audit, Standards and Governance Committee shall also respond, as soon as its work programme permits, to requests from the Council or the Cabinet to review particular areas of Council activity. The Audit, Standards and Governance Committee shall report its findings and any recommendations back to Council or Cabinet (as appropriate).

## 13 Investigations and Enquiries

The Audit, Standards and Governance Committee may

a. hold enquiries and investigate the available options for the future direction of Internal Audit and may appoint advisers and assessors to assist them in this process;

b. conduct site visits, conduct public surveys, hold public meetings, commission research and do all other things that it reasonably considers necessary to inform the Audit, Standards and Governance Committee in its deliberations;

c. invite witnesses to attend to address the Audit, Standards and Governance Committee on any matter under consideration;

d. pay to any advisers, assessors and witnesses a reasonable fee and expenses for doing so, provided that any budget set by the Council each year for such purposes is not exceeded.

## 14 Members and officers giving account

14.1 The Audit, Standards and Governance Committee may review internal control mechanisms and systems that exist in any Council department. As well as reviewing documentation, in fulfilling its terms of reference, it may require any member of the Cabinet, the Chief Executive and/or any senior officer to attend before it to explain in relation to matters within their remit:

a. any particular decision or series of decisions;

b. the extent to which the actions taken implement Council policy; and/or

c. his/her performance

and it is the duty of those persons to attend if so required.

14.2 If any Councillor or officer is required to attend meetings of the Audit, Standards and Governance Committee under this provision, the Councillor or officer will be given reasonable notice in writing of the meeting at which he/she is required to attend. The notice will state the nature of the item on which he/she is required to attend to give account and whether any papers are required to be produced for the Audit, Standards and Governance Committee. Where the account to be given to the Audit, Standards and Governance Committee will require the production of a report, then the Councillor or officer concerned will be given sufficient notice to allow for preparation of that documentation

14.3 If the Councillor or officer is unable to attend on the required date, the Audit, Standards and Governance Committee shall in consultation with the Councillor or officer arrange an alternative date for attendance.

## 15 Attendance by others

15.1 The Audit, Standards and Governance Committee may invite people other than those people referred to in paragraph 14 above to address it, discuss issues of local concern and/or answer questions. It may for example wish to hear from residents, stakeholders and members and officers in other parts of the public sector and shall invite such people to attend. The person invited will be given reasonable notice and the notice will state the nature of the item on which he/she is invited to attend and whether any papers are requested.

15.2 If the Audit, Standards and Governance Committee is to consider a motion referred to it by the Council meeting, the proposer and seconder of the motion shall (if they are not members of the Audit, Standards and Governance Committee) have the right to attend the relevant meeting and to explain the reasons for their motion, although they may not propose, second or vote on recommendations by the Committee which arise from that motion.

15.3 If the Audit, Standards and Governance Committee invites a person to address a meeting or to give evidence, the following principles will be observed:

a. the investigation will be conducted fairly and all members of the Audit, Standards and Governance Committee will be given the opportunity to ask questions of attendees, and to contribute and speak;

b. those assisting the Audit, Standards and Governance Committee by giving evidence will be treated with respect and courtesy; and

c. the investigation will be conducted so as to maximise the efficiency of the investigation or analysis.

## 16 Reports from Audit, Standards and Governance Committee

16.1 Once it has formed recommendations on proposals for development, the Audit, Standards and Governance Committee will make its findings public and will report to the Cabinet.

16.2 The Audit, Standards and Governance Committee may report directly to full Council where the Section 151 Officer, the Monitoring Officer and/or Internal Audit Shared Services Manager advises the Audit, Standards and Governance Committee that it is appropriate to do so.

16.3 If the Audit, Standards and Governance Committee cannot agree on one single final report to the Council or Cabinet as appropriate, then no more than one minority report may be prepared and submitted for consideration by the Council

or Cabinet with the majority report.

16.4 The Council or the Cabinet shall consider the report of the Audit, Standards and Governance Committee within two months of it being submitted.

## 17 Consideration of Audit, Standards and Governance Committee Reports by the Cabinet

The agenda for Cabinet meetings shall include an item at which minutes and/or reports of the Audit, Standards and Governance Committee will be considered. The minutes and/or reports of the Audit, Standards and Governance Committee referred to the Cabinet shall be included at this point in the agenda (unless they have been considered in the context of the Cabinet's deliberations on a substantive item on the agenda).

## 18 The party whip

The party whip must not be applied at Audit, Standards and Governance Committee meetings.

## 19 Finance.

The Audit, Standards and Governance Committee may exercise overall responsibility for any finances made available to it.