

Appendix A: Terms of Reference of the Audit and Standards Committee

The Audit and Standards Committee was established at the Annual Council meeting on 24 May 2012. Its role is two-fold:

1. **Audit** - The Committee oversees the Council's Internal Audit and risk functions; receives and approves External Audit reports; scrutinises the Annual Statement of Accounts; makes reports and recommendations to the Cabinet, Committees and the Council as a whole on the adequacy of its corporate governance and risk management arrangements and the associated control environment.
2. **Standards** - The Committee deals with a range of matters including issues concerning Councillors' conduct, provides advice and guidance to the Council, the Cabinet and individual Councillors and advises on the application and review of the Constitution.

STATEMENT OF PURPOSE

The committee's purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. Its role in ensuring there is sufficient assurance over governance, risk and control gives greater confidence to all those charged with governance that those arrangements are effective.

The committee has oversight of both Internal and External Audit, together with the financial and governance reports, helping to ensure there are adequate arrangements in place for both internal challenge and public accountability.

The Terms of Reference of the Audit and Standards Committee are as follows:

CORE FUNCTIONS

Maintenance of governance, risk and control arrangements

1. Support a comprehensive understanding of governance across the Council and among all those charged with governance, fulfilling the principles of good governance.
2. Consider the effectiveness of the Council's risk management arrangements. It should understand the risk profile of the Council and seek assurances that active arrangements are in place on risk-related issues, for both the Council and its collaborative arrangements.
3. Monitor the effectiveness of the system of internal control, including arrangements for financial management, ensuring value for money, supporting standards and ethics and managing the Council's exposure to the risks of fraud and corruption.

Financial and governance reporting

4. Be satisfied that the Council's accountability statements, including the annual governance statement, properly reflect the risk environment, and any actions required to improve it, and demonstrate how governance supports the achievement of the authority's objectives.
5. Support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them.

Establishing appropriate and effective arrangements for audit and assurance

6. Consider the arrangements in place to secure adequate assurance across the Council's full range of operations and collaborations with other entities.
7. In relation to the Council's Internal Audit functions:
 - oversee its independence, objectivity, performance and conformance to professional standards
 - support effective arrangements for Internal Audit
 - promote the effective use of Internal Audit within the assurance framework.
8. Consider the opinion, reports and recommendations of External Audit and inspection agencies and their implications for governance, risk management or control, and monitor management action in response to the issues raised by External Audit.
9. Contribute to the operation of efficient and effective External Audit arrangements, supporting the independence of auditors and promoting audit quality.
10. Support effective relationships between all providers of assurance, audits and inspections, and the organisation, encouraging openness to challenge, review and accountability.

Standards

11. Promoting and maintaining high standards of conduct by Councillors and co-opted persons of Committees.
12. Assisting Councillors and co-opted persons of Committees to observe the Code of Conduct.
13. Advising the Council on the adoption or revision of the Code of Conduct.
14. Monitoring the operation of the Code of Conduct.

15. Advising and/or censuring and/or imposing a sanction on a Councillor or co-opted person of a Committee (or former Councillor or co-opted person) of the Council.
16. Having oversight of all aspects of Councillor development.
17. Receiving annual reports in a monitoring and guidance role on whistle blowing, bullying and harassment.
18. Being fully involved in any ethical review of the Council or its activities.

Meetings are open to members of the public, except for when confidential information is being considered.

Members of the public may ask questions at meetings of the Audit and Standards Committee.