

## Part 2 - The Articles

### Chapter 13 – Audit and Standards Committee

#### 1. Status, Membership, Quorum and Meeting Frequency

- 1.1 The Audit and Standards Committee is a committee established under Section 102 of the Local Government Act 1972 and Section 28 of the Localism Act 2011.
- 1.2 The membership of the Committee shall be eight Councillors and the quorum shall be three.
- 1.3 The Assembly shall appoint the membership, including the Chair and Deputy Chair, at its Annual Meeting. Cabinet Members and the Chair of the Overview and Scrutiny Committee shall not be members of the Audit and Standards Committee. Political balance requirements of Section 15 of the Local Government and Housing Act 1989 apply when determining membership.
- 1.4 The Assembly shall also appoint up to three Independent Persons, pursuant to the Localism Act 2011 requirement, to give a view to the Committee or Sub-Committee on issues relating to complaints made regarding alleged breach of the Councillors' Code of Conduct.
- 1.5 The Committee shall appoint an Independent Adviser to advise on matters relating to the Council's audit functions.
- 1.6 The Committee shall meet on a quarterly basis with an additional meeting held, if necessary, to approve the publication of the Council's Statement of Accounts prior to 31 July each year.

#### 2. Responsibility for Functions:

- 2.1 The Audit and Standards Committee shall have the following roles and functions:

##### 2.1.1 Audit functions

###### Internal Audit

- i) Considering regular update reports concerning the work of Internal Audit, including progress on delivering the annual programme of work, emerging themes, risks and issues, and officer responsiveness in implementing recommendations and responding to Internal Audit.
- ii) Considering and agreeing an Annual Audit Report from the Chief Financial Officer and a summary of Internal Audit activity (actual and proposed), and the level of assurance it can give over the Council's corporate governance, internal control, and risk management arrangements.
- iii) Considering summaries of specific Internal Audit reports as requested.
- iv) Considering reports dealing with the management and performance of the providers of Internal Audit services.

### **Statutory and External Audit Functions**

- v) Considering the Annual Governance Report (both main and pension) and other relevant reports.
- vi) Considering the Annual Audit Letter, and other relevant reports.
- vii) Considering the Summary of Grant Certifications.
- viii) Considering other specific reports as agreed with the external auditor.

### **Performance**

- ix) Considering the Council's performance monitoring reports and to closely monitor and evaluate the performance of the services and functions which fall within its remit.
- x) Periodically reviewing the Council's capital spending.
- xi) Reviewing the performance of any major contracts entered into by the Council.
- xii) Reviewing performance of the arm's length entities created by and owned by the Council.
- xiii) Considering the findings of any reports from any inspection agencies concerning the Council.

### **Governance**

- xiv) Receiving reports and making appropriate recommendations concerning corporate governance, risk management, decision-making and information governance and ensuring compliance with best practice.
- xv) Receiving reports and making appropriate recommendations concerning customer complaints and Local Government Ombudsman enquiries.
- xvi) Considering regular updates concerning Council policies relating to internal governance (including whistle-blowing, bribery and anti-fraud) and ensuring the implementation of relevant legislation relating to governance, fraud and corruption.
- xvii) Maintaining an overview of the Council's Constitution in respect of the Financial Regulations and Rules.
- xviii) Approving the Council's Annual Governance Statement which accompanies the Annual Statement of Accounts.
- xix) Considering the Council's compliance with its own and other published standards and controls.

### **Finance**

- xx) Considering regular reports concerning the financial management of the Council, including in-year expenditure against budgets and use of reserves.
- xxi) Considering and approving the Annual Statement of Accounts and all related documents.
- xxii) Considering the robustness of the Council's annual budget setting process.

### 2.1.2 Standards functions

- i) Promoting and maintaining high standards of conduct by Members and Co-Opted Members of the authority;
- ii) Appointment of a Hearing Sub-Committee to hear and make recommendations to the Monitoring Officer concerning complaints about Members and Co-opted Members referred to it by the Monitoring Officer (the composition, Terms of Reference and responsibility of functions for the Sub-Committee are referred to in paragraphs 3 and 4 below);
- iii) Receiving periodic reports from the Monitoring Officer on dispensations granted / refused, complaints received against Members, complaints resolved informally, complaints resolved after an investigation by the Hearing Sub-Committee and assessing the operation and effectiveness of the Members' Code of Conduct;
- iv) Advising on training or arranging to train Councillors and Co-opted Members on matters relating to the Councillors' Code of Conduct;
- v) Assisting Councillors and Co-opted Members to observe the Councillors' Code of Conduct;
- vi) Receiving referrals from the Monitoring Officer into allegations of misconduct, in accordance with the Council's assessment criteria;
- vii) Advising on the contents of and requirements for codes / protocols / other procedures relating to standards of conduct throughout the Council;
- viii) Maintaining oversight of the Council's arrangements for dealing with complaints;
- ix) Informing the Assembly and the Chief Executive of relevant issues arising from the determination of Code of Conduct complaints;
- x) On referral by the Monitoring Officer, granting dispensations pursuant to S33(2) (b), (c) and (e) of the Localism Act 2011 to enable a Councillor or Co-opted Member to participate in a meeting of the Authority;
- xi) Hear and determine appeals against refusal to grant dispensations by the Monitoring Officer pursuant to S33(2)(a) and (d) of the Localism Act 2011.

### **3. Hearing Sub-Committee**

- 3.1 In accordance with Section 28(6) and (7) of the Localism Act 2011, the Audit and Standards Committee shall appoint a Hearing Sub-Committee to conduct hearings and determine complaints.
- 3.2 The Hearing Sub-Committee shall consist of three Members, drawn from the membership of the Committee on a rota basis by the Chief Executive. The Chair shall be elected by the Sub-Committee at each meeting. Due regard shall be given to the political balance principles when drawing the membership of a Sub-Committee.
- 3.3 The quorum shall be three Members.
- 3.4 The Hearing Sub-Committee shall meet as and when required.

### **4. Responsibility for Functions of the Hearing Sub-Committee**

- 4.1 The Hearing Sub-Committee shall be responsible for:
- (i) Hearing allegations that a Councillor or Co-opted Member has breached the Councillors' Code of Conduct.
  - (ii) Following a hearing, making one of the following findings:
    - (a) that the Member has not failed to comply with the Code of Conduct and no further action needs to be taken in respect of the matters considered at the hearing;
    - (b) that the Member has failed to comply with the Code of Conduct but that no further action needs to be taken in respect of the matters considered at the hearing;
    - (c) that the Member has failed to comply with the Code of Conduct and that a sanction and/or an informal resolution should be imposed.
  - (iii) Imposing any action or combination of actions available to it, or impose any informal resolution or combination of informal resolutions as are available to it by law or policy.
  - (iv) After making a finding, providing written notice of its findings and the reasons for its decision to the Member and complainant.

**5. Management of Complaints**

- 5.1 The management of complaints shall be the responsibility of the Monitoring Officer in accordance with the procedure set out in Part 5, Chapter 1, paragraph 15 of this Constitution.

**6. Rights and Responsibilities of Independent Persons (for Standards functions)**

- 6.1 The role of an Independent Person is wholly advisory, providing advice to the Council on any allegation being considering of a failure of a Councillor or Co-opted Member, and to such a Councillor facing an allegation who has sought the views of the Independent Person.
- 6.2 An Independent Person may attend meetings of the Audit and Standards Committee and act in an advisory capacity only, with no voting rights.
- 6.3 An Independent Person shall have an advisory role in the decision-making process regarding complaints against Councillors and Co-opted Members in that his/her views must be sought and taken into account before decisions are made on allegations which the Monitoring Officer has decided to investigate.
- 6.4 An Independent Person may be consulted by the Monitoring Officer before a decision has been taken to investigate.
- 6.5 An Independent Person shall have an advisory role in any meeting of the Hearing Sub-Committees' decision-making process regarding complaints against Councillors and Co-opted Members. The views of an Independent Person must be sought and taken into account before decisions are made by the Hearing Sub-Committee.
- 6.6 An Independent Person may be consulted by a Councillor or Co-opted Member who is the subject of an allegation.
- 6.7 An Independent Person shall declare any interests, respect confidentiality and observe the Council's Procedures, Codes and Protocols in his/her workings with the Council.

**7. Rights and Responsibilities of Independent Advisor (for Audit functions)**

- 7.1 The role of the Independent Advisor is to provide advice to the Committee in respect of the audit functions described in paragraph 2.1.1 above.
- 7.2 The Independent Advisor shall be invited to attend all meetings of the Audit and Standards Committee to act in an advisory capacity only, with no voting rights.
- 7.3 The Independent Advisor shall declare any interests, respect confidentiality and observe the Council's Procedures, Codes and Protocols in his/her workings with the Council.