

STANDARDS COMMITTEE & SUB-COMMITTEES**TERMS OF REFERENCE**

1. To oversee and promote the Council's arrangements to ensure and maintain probity and the highest standards of governance in the conduct of business by members (including co-opted members) and officers.
2. To oversee and advise Full Council and the City Mayor on matters relating to the Council's corporate governance and ethical framework.
3. To receive the Council's annual Corporate Governance Review Statement.
4. To oversee, promote, monitor observance and recommend necessary change to Members' and officers' Codes of Conduct and Political Conventions.
5. To oversee and ensure the provision of appropriate training to Members and officers to enable them to adhere at all times to the provisions of the Council's Political Conventions and governance arrangements.
6. To appoint a Standards Advisory Board (chaired by an Independent Member) to scrutinise, hear and determine appropriate allegations (as set out in the Authority's "*Arrangements for dealing with Standards Complaints*") that a Member of the Council has failed, or may have failed, to comply with the Council's Code of Conduct.
7. Save in exceptional circumstances, to accept the recommendations of the Standards Advisory Board who have determined that an Elected or Co-opted Member of the Council has failed to comply with the City Council's Code of Conduct for Members, including its recommendations as to the appropriate remedy or sanction for such breach.
8. To consider under Sections 1 and 2 of the Local Government and Housing Act 1989:-
 - (a) any application received from any officer of the Council for exemption from political restriction in respect of the post held by that officer and may direct the Council that the post shall not be considered to be a politically restricted post and that the post be removed from the list maintained by the Council under Section 2(2) of that Act; and,
 - (b) upon the application of any person or otherwise, consider whether a post should be included in the list maintained by the Council under Section 2(2) of the 1989 Act, and may direct the Council to include a post in that list.
9. Temporary appointments of Independent Members may be made in accordance with the law and upon appropriate advice from the Monitoring Officer

10. The Standards Committee:

- Composition - The Standards Committee shall comprise nine Members, made up of four Elected Councillors and five Independent Members. The Independent Members shall be co-opted non-voting members of the Standards Committee, and it shall be chaired by an Elected Councillor. The Councillor make-up of the Committee will, wherever possible, reflect the political balance of the Council
- Quorum – The quorum for a meeting of the Standards Committee shall be three Councillor Members
- Frequency of Meetings –The Standards Committee will meet as and when required.

11. The Standards Advisory Board:

- Composition - The Standards Advisory Board shall comprise nine Members, made up of four Elected Councillors and five Independent Members. The Independent Members shall be co-opted voting members of the Board, and it shall be chaired by an Independent Member.
- Quorum – The quorum for a meeting of the Board shall be three, with a majority or equal number of Independent Members (with the Independent Chair having the casting vote)
- Frequency of Meetings –The Standards Advisory Board will meet as and when required.

12. The role of the Independent Person (IP) – the Independent Person is not a member of either the Standards Committee or the Standards Advisory Board. He/she remains completely neutral to the political and scrutiny process, and works closely with the City Barrister on individual complaints at the initial decision and review phases. He/she does remain a standing invitee to meetings of the Committee and the Board, and will also attend Board meetings to offer advice on the progression of individual complaints, which may or may not be adopted by the Board

Matters Reserved to the Committee:

1. All matters of significance in respect of policy, governance or training are reserved to the Committee.
2. All matters within the Terms of Reference of the Standards Committee which are not reserved to Full Council or this Committee, either by legislation, regulation or local determination, are delegated to the City Barrister and Head of Standards.

Duties of the Audit & Risk Committee

1. Audit Framework

1.1 Internal Audit

- On behalf of the Council, to approve the Head of Internal Audit's annual report and opinion, considering the level of assurance given over the Council's corporate governance arrangements and decide on appropriate actions.
- To consider, challenge and approve (but not direct) Internal Audit's strategy and plan and monitor performance on an annual basis.
- To receive summaries of Internal Audit reports and the main issues arising.
- To review and challenge management's responsiveness to the internal audit findings and recommendations, seeking assurance that appropriate action has been taken where necessary and agreed recommendations have been implemented within a reasonable timescale.
- To monitor and assess the role and effectiveness of the Internal Audit function.

In fulfilling these functions, the Audit & Risk Committee fulfils the role of 'board' for the purposes of the *Public Sector Internal Audit Standards*.

1.2 External Audit

- On behalf of the Council, to review with the external auditor and inspection agencies the findings of their work including any major issues which are unresolved; key accounting and audit judgments; and the levels of errors identified during the audit. The Committee should obtain explanations from management and from external auditors, where necessary, as to why errors might remain unadjusted.
- To consider the scope and depth of external audit work and to assess whether it gives value for money.
- To liaise with Public Sector Audit Appointments Ltd (as successor body to the Audit Commission for this purpose) over the appointment of the Council's external auditor and conduct such other related functions as required by the local public audit regime.
- To facilitate effective relationships between external and internal audit, inspection agencies and other relevant bodies and ensure the value of these audit relationships is actively promoted.
- To approve any instances of non-audit work by the external auditors in accordance with the *Policy for Engagement of External*

Auditors for Non-Audit Work and report any such instances to the Council.

2. Risk Management Framework

- On behalf of the Council, to consider and challenge the effectiveness of the Council's Risk Management Strategy and Framework, including the Risk Management and Insurance Services function.
- To consider and approve, on behalf of the Council, the Council's Risk Management Strategy and its key risk management policies including the Council's statement of overall risk appetite.
- To approve, on an annual basis, the Risk Management and Insurance Services function's terms of reference and its annual plan.
- To review (and take any actions as a consequence of) reports from the Head of Internal Audit & Risk Management in respect of the status of key current and emerging risks and internal controls relating to those risks (the Operational and Strategic Risk Registers).

3. Internal Control and Governance Framework

- To review the adequacy of the Council's internal control framework through review of its system of internal control and system of internal audit and overseeing the production and approval of the Council's Annual Governance Statement prepared in accordance with the Local Code of Conduct Governance.
- To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts. (The Committee is to do this before approving the Council's published financial statements. The Committee should take note of any adjustments set out in the external auditor's report and agree any such adjustments where management has declined to do so or set out the reasons for not doing so.)
- To maintain an overview of the Council's Constitution in respect of contract procedure rules, finance procedure rules and codes of conduct and behaviour.
- To review and approve, on an annual basis, the Council's anti-fraud, bribery and corruption and its disclosure (whistle-blowing) policies and procedures.
- Annually, to assess all significant risk issues considering:
 - Changes since the last annual assessment and the Council's response;

- The scope and quality of management's ongoing monitoring of risks and the system of internal control;
- The incidence of significant control failings in relation to all significant risks and their impact.
- To review regular reports from Internal Audit and Risk Management on risk and internal controls, considering:
 - The effectiveness of systems of internal control across the Council
 - Reports on major control issues and their impact on the Council's risk profile.
- To consider and decide on appropriate actions relating to the Council's compliance with its own and other published or regulatory policies, standards and controls, including:
 - Information assurance including compliance with the Data Protection Act;
 - Freedom of Information Act;
 - Health & Safety at Work;
 - The Disclosure Policy
 - Complaints;
 - Raising Concerns at Work; and
 - Others as appropriate.

4. Financial Reporting Framework

- To review and approve the Council's published financial statements, the external auditor's annual opinion and other reports to Members and to monitor management action in response to issues raised.
- To review and approve the annual statement of accounts and the annual Letter of Representation on behalf of the Council, giving particular attention to critical accounting policies and practices, decisions requiring a significant element of judgement, how any unusual transactions should be disclosed and the clarity of the disclosures.
- To bring to the attention of the Council any concerns arising from the financial statements or from the audit.

5. Other Matters

- To consider, approve or make recommendations in respect of any other matters referred to it by the City Mayor, Chief Operating Officer (as the Head of Paid Service) or a Director or any Council body.

- To consider any relevant matters reserved for Member-level decision as detailed in Rules of Procedure.
- To present an annual report to the Council on the Committee's conduct, business and effectiveness.

Director of Finance