



Title:	Constitution of the Council (Part 3Ea: Audit Committee)
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FUNCTIONS AND PROCEDURES OF THE AUDIT COMMITTEE

1 FUNCTIONS OF THE AUDIT COMMITTEE

ONLY FULL COUNCIL CAN AMEND THE FUNCTIONS OF THE AUDIT COMMITTEE

1.1 The following powers and functions will be the responsibility of the Audit Committee.

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STATEMENT OF PURPOSE

1.2 The purpose of the Audit Committee is to 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 East Staffordshire Borough Council's exposure to risk and weakens the control environment, and to oversee the financial reporting process.

AUDIT ACTIVITY

1.3 To consider the annual report and opinion from the Internal Audit Function (currently provided by CW Audit), and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.

1.4 To consider summaries of specific internal audit reports as requested.

1.5 To consider reports dealing with the management and performance of Internal Audit.

1.6 To consider a report from the Internal Audit Function (currently provided by CW Audit) on agreed recommendations not implemented within a reasonable timescale.

1.7 To consider the External Auditor's annual letter, relevant reports and the report to those charged with governance.

- 1.8 To consider specific reports as agreed with the External Auditor.
- 1.9 To comment on the scope and depth of external audit work and to ensure it gives value for money.
- 1.10 To commission work from internal and external audit.

REGULATORY FRAMEWORK

- 1.11 To maintain an overview of the Council's Constitution in respect of Contract Procedure Rules, Financial Regulations and Codes of Conduct.
- 1.12 To review any issue referred to it by the Chief Executive or a Head of Service, or any Council body.
- 1.13 To monitor the effective development and operation of risk management and corporate governance by the Council.
- 1.14 To monitor Council policies on Whistle-blowing and the Anti-Fraud and Corruption Strategy and the Council's complaints process.
- 1.15 To oversee the Council's arrangements for corporate governance and agreeing necessary action to ensure compliance with best practice.
- 1.16 To consider the Council's compliance with its own and other published standards and controls.
- 1.17 To oversee the Council's use of powers under the Regulation of Investigatory Powers Act 2000.

ACCOUNTS

- 1.18 To review the Annual Statement of Accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Committee approving the Statement of Accounts ~~and~~/or the Council.
- 1.19 To consider the External Auditor's report to those charged with governance on issues arising from the audit of accounts.

- 1.20 To provide effective scrutiny of the Council's Treasury Management Strategy, policies and practices and consider whether any matters need to be brought to the attention of the Council.
- 1.21 To receive regular updates on the Council's Treasury Management Activities, including (as a minimum) scrutiny of the Mid-Year update and Annual Report.

2 POWERS OF THE AUDIT COMMITTEE

- 2.1 The Audit Committee shall be empowered to:
 - 2.1.1 Question members of the Cabinet, and/or officers of the Council about any matters pertaining to policy, service delivery, performance or the carrying out of the business of the Council which are relevant to any matter under consideration.
 - 2.1.2 Ask for any Council documents which are relevant to any matter under consideration.
 - 2.1.3 Commission research or consultation exercises to assist with considering issues.
 - 2.1.4 Seek information from, or ask questions of, any other person or body if that person or body so consents.
 - 2.1.5 Report to the Cabinet on any issue arising from the Scrutiny function, with recommendations if appropriate.
 - 2.1.6 Issue reports to relevant outside bodies on the outcome of Scrutiny reviews, with recommendations if appropriate.
 - 2.1.7 Exercise the powers and duties of an Audit Committee.

NB Under S.102(3) Local Government Act 1972, a Committee with co-opted independent members cannot regulate or control the finance of the local authority so any decisions relating to these matters are taken by the Full Council.

3 PROCEDURES OF THE AUDIT COMMITTEE

THE AUDIT COMMITTEE CAN AMEND THE PROCEDURES WHICH IT FOLLOWS IN CONSULTATION WITH THE MONITORING OFFICER.

MEMBERSHIP

- 3.1 Membership will be a total of 10 members of whom 8 shall be elected Members of the Council, so as to reflect the political make-up of the Council, and 2 shall be Independent Members who shall not be members or officers of the Council. No member of the Cabinet shall be on the Committee.

MEETINGS

- 3.2 All meetings of the Committee shall be held at the Town Hall Burton upon Trent at 6.30pm unless different arrangements are agreed previously agreed by the Committee.
- 3.3 The Committee will meet so often as may be required to perform the functions of the Committee. Ordinarily the Committee meets bi-monthly.
- 3.4 Subject to fulfilling the role outlined above, the agenda for each meeting shall be agreed by the Chairman. Member requests for items to be placed on the agenda must be received by the Chairman at least seven working days prior to the meeting.
- 3.5 Questions may be submitted by any member of the Audit Committee for answer by the Leader, any Cabinet Member or Officer of the Council. Questions must be received three clear working days prior to the meeting.

CHAIRMAN AND VICE-CHAIRMAN

- 3.6 The Council shall appoint the Chairman and the Committee shall appoint the Vice-Chairman.

RIGHT TO ATTEND

- 3.7 Meetings of the Committee shall be open to the press and public except for confidential business.
- 3.8 All Councillors formally appointed to the Committee by the Council have the right to attend and to vote at meetings of the Committee.
- 3.9 ~~Other Councillors who are not formal members of the Committee may attend meetings of the Committee, except where Exempt Information is likely to be disclosed. If Exempt Information is likely to be disclosed, they can only attend such meetings if they can demonstrate that their attendance is necessary to perform their duties as a Councillor. If they do attend, they may ask the Chairman for consent to speak (giving reasons). The Chairman may seek the views of the Committee before making a decision. If the Chairman gives such consent, the Councillor may take part in the debate when invited to do so by the Chairman (but may not vote).~~
- 3.10 The Committee shall determine which other persons should, from time to time, participate in the Committee's work.

QUORUM

- 3.11 A quorum shall ~~be one third of the total number of Committee members.~~ be no less than 4 elected members from East Staffordshire Borough Council.

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MINUTES

- 3.12 The minutes of the meeting shall record any formal comments, views or recommendations made by the Audit Committee and shall also record the answers to any formal questions.

REPORTING ARRANGEMENTS

- 3.13 Where necessary the Audit Committee will make reports and recommendations to the Executive and or Full Council arising from the outcome of the scrutiny process or refer entire reports produced as a result of the scrutiny process to be debated and noted at Full Council.

APPLICATION OF COUNCIL MEETING PROCEDURE RULES

- 3.14 Save where inconsistent with these Rules, proceedings at the Committee will be governed as set out in Rule 23 of the Council Meeting Procedure Rules – see Part 3A.