

C. The Audit and Standards Committee

1. Statement of purpose

The Audit and Standards Committee is a key component of corporate governance providing an independent, high-level focus on the audit, assurance and reporting framework underpinning financial management and governance arrangements. Its purpose is to provide independent review and assurance to Members on governance, risk management and control frameworks. It has delegated power to approve the annual accounts and it oversees year-end financial reporting, the Annual Governance Statement process and internal and external audit, to ensure efficient and effective assurance arrangements are in place. It also undertakes the Authority's Standards Committee function.

2. Composition and Procedure

2.1 Membership

The Audit and Standards Committee shall be appointed by the Authority from the Members and / or members of the Constituent councils. The Authority shall decide the size and membership at the Annual Meeting, provided that the membership shall comprise at least one Independent Person and comply with paragraph 2.3 below.

Independent Persons are non-voting positions.

2.2 Independent Person

For the purposes of paragraph 2.1 above an individual is an Independent Person if that person:

- i is not a member, substitute member, co-opted member or officer of the Authority;
- ii is not a relative, or close friend, of a person within (i) above; and
- iii was not at any time during the 5 years ending with their appointment to the Audit and Standards Committee a member, substituted member, co-opted member or officer of the authority.

For the purposes of paragraph 2.2(ii) above "relative" has the meaning

contained in Article 2(2) of 2017 Order.

For the avoidance of doubt the Authority may agree to pay a reasonable allowance and expenses to the appointed Independent Persons.

2.3 Political Balance

Ignoring the Independent Persons, in appointing co-opted elected members to the Audit and Standards Committee the Authority must ensure that the members of the committee taken as a whole reflect, so far as reasonably practicable, the balance of political parties for the time being prevailing among members of the *Constituent Councils* when taken together.

2.4 Chairing the Committee

The Audit and Standards Committee will be chaired and vice-chaired as determined by the Committee.

2.5 Quorum

At least two-thirds of the total number of members of the Audit and Standards Committee must be present at a meeting of the Audit and Standards Committee before any business may be transacted.

3. Role and Function

- 3.1 To consider the Authority's statement of accounts prepared in accordance with the Accounts and Audit (England) Regulations 2011 and make recommendations to the Authority in regard to the Statement prior to the Authority approving the same;
- 3.2 To consider the External Auditor's Annual Audit and Inspection Letter in accordance with the Accounts and Audit (England) Regulations 2011 and to monitor the Authority's response to individual issues of concern identified;
- 3.3 To consider and advise the Authority on the findings of the Authority's review of the effectiveness of its system of internal control and on the Annual Governance Statement;
- 3.4 To consider and advise the Authority on the findings of the review of the effectiveness of its internal audit;
- 3.5 To oversee the effectiveness of the Authority's and SYPTe's risk management arrangements, the control environment and associated anti-

fraud and anticorruption arrangements, including approving **under delegated powers** the Authority's Anti-Fraud and Corruption Policy and associated Fraud Response Plan and any changes to these;

- 3.6 To challenge the Authority's performance management arrangements;
- 3.7 To oversee and review the Authority's internal audit strategy, and receive reports, as appropriate, from the Internal Auditor;
- 3.8 To engage with the External Auditor and external inspection agencies and other relevant bodies to ensure that there are effective relationships between external and internal audit;
- 3.9 To make recommendations to the Finance Director and Monitoring Officer in respect of Part 5F of the Authority's Constitution (Financial Regulations);
- 3.10 To ensure effective scrutiny of the Treasury Management Strategy and Policies;
- 3.11 To consider and advise the Authority on its Code of Corporate Governance.

Standards

- 3.12 To determine, in accordance with the Authority's Arrangements whether a Member (or co-opted voting member) ("Subject Member") has failed to comply with the Authority's Code of Conduct for Members and, if so, to determine what action (if any) to take in respect of the Subject Member, such actions to include:-
 - publication of the findings of the Authority's Standards Committee in respect of the Subject Member's conduct;
 - reporting the findings of the Authority's Standards Committee to the Combined Authority for information;
 - recommendation to the Authority that the Subject Member should be censured;
 - instructing the Authority's Monitoring Officer to arrange training for the Subject Member; or
 - recommendation to the Authority that the Subject Member should be removed from all appointments to which the Subject Member has been appointed or nominated by the Authority.