

## REPORT OF STANDARDS COMMITTEE

(Meeting held on 28 November 2008)

### 1. AUDIT COMMITTEE FUNCTIONS (REPORT B) (MINUTE NO. 31)

The Committee has considered its role as an Audit Committee.

At the meeting of the Council on 27 October 2008, a question was raised as to why the Committee's decision in this regard had not been submitted to the Council in the form of a recommendation. As the matter was one on which the Committee was, in effect, recommending no action, it was not considered necessary to submit the matter to the Council for decision. However, in the light of the question raised, the Vice-Chairman, Cllr Hutchins, undertook to ask the Committee to reconsider the issue

The relevant extract from the Standards Board's guidance is -

"The role of the Standards Committee should complement the role of the Audit Committee. While the Audit Committee should oversee the financial processes, Standards Committees should take the lead in promoting good ethical conduct. It is important that Committees are clear about their roles and responsibilities, and that there are clear distinctions in their terms of reference".

This paragraph forms part of a lengthy document on the operation of Standards Committees and the local assessment of complaints. The guidance does not suggest that it is inappropriate for the functions of Standards and Audit Committees to be combined, but presumes that the two will be separate, with discrete, but complementary terms of reference and functions.

The Committee has reconsidered the matter and remains of the view that it is appropriate for it to carry out the functions of an Audit Committee. It points out that 6 of its 10 members are not members of the Authority, and it therefore demonstrates a high degree of impartiality. The Committee sees no conflict in fulfilling both functions and recommends that this continues.

Furthermore, the District Auditor has, in recent years, accepted the arrangements at NFDC.

The Committee has accepted its workload is growing in terms of the ethical framework role, and this will continue to be monitored.

#### **RECOMMENDED:**

***That the functions of an audit committee continue to be within the Terms of Reference of the Standards Committee.***

**Cllr J A G Hutchins  
VICE – CHAIRMAN**