

Division: **ALL**

AUDIT AND GOVERNANCE COMMITTEE – 10 May 2023

COMMITTEE TERMS OF REFERENCE

Report of the Director of Law & Governance and Monitoring Officer

RECOMMENDATION TO COUNCIL

1. **To make the changes to the terms of reference of the Audit and Governance Committee (Part 5.1A of the Constitution) as highlighted in Annex 1 to the report. This reflects the latest guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) - *Audit Committees: Practical Guidance for Local Authorities and Police (2022)*.**

Background

2. The CIPFA guidance for Audit Committees was updated in October 2022. This publication represents CIPFA's view of best practice for audit committees in local authorities throughout the United Kingdom.

Proposed changes

3. The changes highlighted in Annex 1 reflect changes required to meet the latest CIPFA guidance. They relate to the following areas:
 - a) Monitoring the arrangements and preparations for financial reporting to ensure that statutory requirements and professional standards can be met.
 - b) Publishing an annual report on the work of the committee including a conclusion on compliance with the CIPFA Position Statement.
 - c) Providing free and unfettered access to the committee chair by head external auditors, including the opportunity for a private meeting with the committee.
 - d) Under governance risk and control -
 - i) To consider the effectiveness of financial management arrangements, including compliance with CIPFA's Financial Management Code.
 - ii) To consider whether the annual evaluation for the Annual Governance Statement fairly concludes that governance arrangements are fit for purpose, supporting the achievement of the authority's objectives.

Corporate policies and priorities

4. The role of the Audit and Governance Committee underpins good corporate governance in the Council.

Financial implications

5. There are no direct financial implications arising from the report. The proposed changes to the terms of reference will however strengthen financial management reporting arrangements.

Comments checked by: Lorna Baxter, Director of Finance

Legal implications

6. There are no specific legal implications arising from the report. However, there is an expectation that the terms of reference for the committee comply with the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance as a leading national accountancy membership body for public sector audit, accountancy and standard setting.

Comments checked by: Anita Bradley, Director of Law and Governance

Staff implications

7. None arising directly from this report

Equality and inclusion implications

8. None arising directly from this report

Anita Bradley

Director of Law & Governance and Monitoring Officer

Annex 1: Terms of reference for the Audit and Governance Committee showing recommended changes.

Background papers: CIPFA publication *Audit Committees: Practical Guidance for Local Authorities and Police (2022)*

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