

**Agenda Item**

<b>Subject</b>	<b>Audit Committee Terms of Reference and Work Cycle 2023/24</b>	<b>Status</b>	For Publication
<b>Report to</b>	Audit Committee	<b>Date</b>	02/03/2023
<b>Report of</b>	Head of Governance		
<b>Equality Impact Assessment</b>	Not Required	Attached	Na
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**1 Purpose of the Report**

- 1.1 To present for Members' consideration and approval a new Audit Committee Terms of Reference that reflects the practice and principles set out in the CIPFA Position Statement 2022: Audit Committees in Local Authorities and Police.
- 1.2 To propose a work cycle for the 2023/24 municipal year that aligns with the above.

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**2 Recommendations**

- 2.1 Members are recommended to:
  - a. **Approve the adoption of the Audit Committee Terms of Reference attached at Appendix A which reflect the practice and principles of the CIPFA Position Statement 2022;**
  - b. **Consider and decide on whether to change the name of this Committee to the Audit and Governance Committee; and**
  - c. **Approve the Work Cycle 2023/24 – noting that this now includes 4 meetings per year.**

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**3 Link to Corporate Objectives**

- 3.1 This report links to the delivery of the following corporate objectives:  
Effective and Transparent Governance  
To uphold effective governance always showing prudence and propriety.
- 3.2 The terms of reference and work cycle proposed are designed to ensure that robust arrangements in line with best practice are in place to uphold effective governance.

**4 Implications for the Corporate Risk Register**

- 4.1 The contents of this report do not link to a specific risk in the corporate risk register; instead, the proposals are part of the overall framework of governance and risk management at the Authority.

## **5 Background and Options**

- 5.1 The Audit Committee's role and responsibilities are set out in the Authority's Constitution. In order to supplement this with enhanced level of detail and to ensure that we adopt the practice and principles set out in CIPFA's 2022 Position Statement on Audit Committees in Local Authorities, a Terms of Reference has been developed. See draft attached at Appendix A.
- 5.2 The terms of reference document has been developed in line with the Position Statement, and with advice from CIPFA's Better Governance Forum adviser, Diana Melville, and review and advice from the Head of Internal Audit and the Internal Audit Manager.
- 5.3 The following changes are brought to Members' attention.

### *Committee Name*

- 5.4 It is suggested that Members consider the title of this Committee and in particular the idea of changing the name to the Audit and Governance Committee in order to more accurately reflect the scope and focus of the Committee – which includes various aspects of the wider governance framework and arrangements at the Authority in addition to audit matters. This is highlighted in red font in Appendix A.

### *Frequency of Meetings*

- 5.5 Paragraph 4.1 of Appendix A sets out that the Committee shall meet at least four times per year. This is in line with the CIPFA position statement and will represent a change, as until now the Committee has met only three times per year.
- 5.6 A proposed calendar and cycle of meetings is set out at Appendix B to reflect the above.

### *Independent Member and Quorum*

- 5.7 The CIPFA position statement and best practice requires that the Audit Committee should have two independent members. The Head of Governance is currently working on a search for volunteer independent members to fulfil this requirement. It is not yet known whether it will be possible to have two independent members or just one, which may be appropriate considering the size and single purpose of this Authority. Members will be updated on progress in due course.
- 5.8 Pending the outcome of the above, the quorum for meetings of the Committee set out in paragraph 5.1 of the terms of reference will be updated accordingly.

## **6 Implications**

- 6.1 The proposals outlined in this report have the following implications:

Financial	None
Human Resources	None
ICT	None
Legal	None
Procurement	None

**Jo Stone**

**Head of Governance**

<b>Background Papers</b>	
<b>Document</b>	<b>Place of Inspection</b>
CIPFA Position Statement 2022	CIPFA Website: <a href="https://www.cipfa.org/-/media/Files/Services/Support-for-audit-committees/CIPFA-Audit-Committee-Position-Statement-2022.pdf">https://www.cipfa.org/-/media/Files/Services/Support-for-audit-committees/CIPFA-Audit-Committee-Position-Statement-2022.pdf</a>