
GOVERNANCE AND AUDIT COMMITTEE – REVIEW OF TERMS OF REFERENCE

To: **CONSTITUTIONAL REVIEW WORKING PARTY – 23 MARCH 2011**

Main Portfolio Area: **FINANCE AND CORPORATE SERVICES**

By: **CORPORATE GOVERNANCE AND RISK OFFICER**

Classification: **Unrestricted**

Summary: **To bring before Constitutional Review Working Party the Terms of Reference for the Governance and Audit Committee which have undergone their regular review.**

1.0 Introduction and Background

1.1 The formation of a Governance and Audit Committee was agreed by Cabinet on the 23 March 2006 and adopted by Council on the 11 May 2006, and then re-constituted by Council in May 2007, May 2008, May 2009 and May 2010.

2.0 The Current Situation

2.1 The Council needs to demonstrate that it is effectively delivering the core functions of an Audit Committee, as identified in the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance.

2.2 The current Terms of Reference are in line with the CIPFA guidance document but need to be reviewed regularly to ensure that they are fit for purpose. This process has been undertaken and attached at Annex I are the revised Terms of Reference, with track changes to show Members where the changes have taken place.

2.3 The reviewed Terms of Reference will go before Governance and Audit Committee on the 15 March 2011 and it is anticipated that they will agree the changes. As the Governance and Audit Committee meeting is after the deadline date for submission of this report, if any further changes are requested by Governance and Audit Committee these will be provided at the Constitutional Review Working Party meeting on the 23 March.

3.0 Options

3.1 The Working Party recommend to the Standards Committee that the revised Terms of Reference be approved and referred to Council for ratification.

3.2 The Working Party not accept the revised Terms of Reference. This is not recommended as the Governance and Audit Committee Terms of Reference would not reflect the processes that the Governance and Audit Committee need to undertake.

4.0 Corporate Implications

4.1 Financial Implications

4.1.1 There are no financial implications arising directly from this report.

4.2 Legal

4.2.1 There are no legal implications arising directly from this report.

4.3 Corporate

4.3.1 The Council decided to place additional emphasis on governance by the establishment of this committee. These reviewed Terms of Reference are a key part of providing assurance that the authority is effectively delivering the core functions of an audit committee.

4.4 Equity and Equality

4.4.1 None

5.0 Recommendation

5.1 The Working Party recommend to the Standards Committee that the revised Terms of Reference be approved and referred to Council for ratification.

6.0 Decision Making Process

6.1 The recommendation will be considered by the Standards Committee at its meeting to be held on 5 April followed by Council on 21 April 2011.

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Annex List

Annex 1	Terms of Reference – Version 5
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Background Papers

Title	Details of where to access copy
Governance and Audit Committee Terms of Reference – previous versions	Through Corporate Resources