
GOVERNANCE AND AUDIT COMMITTEE – REVIEW OF TERMS OF REFERENCE

To: **CONSTITUTIONAL REVIEW WORKING PARTY – 14 MAY 2009**

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

By: **CORPORATE GOVERNANCE 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 annual 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 and May 2008.

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 have been agreed by Standards at its meeting on the 5 March 2009 and also Governance and Audit Committee on the 17 March 2009.

3.0 Options

3.1 To approve the revised Terms of Reference and recommend that they are passed onto Council on the 21 May 2009 to be formally adopted as part of the Council's Constitution.

3.2 To 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 That Members approve the reviewed Governance and Audit Committee Terms of Reference, and then recommend they are passed onto Council on the 21 May 2009 to be formally adopted as part of the Council's Constitution.**

6.0 Decision Making Process

- 6.1 This recommendation does not involve the making of a key decision.

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Background Papers

Governance and Audit Committee Terms of Reference (as approved by Council 11 May 2006)