

## POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	Audit Committee		
DATE:	3 October 2024		
TITLE:	Audit Committee Terms of Reference		
TYPE OF REPORT:	For approval		
PORTFOLIO(S):	All		
REPORT AUTHOR:	Jamie Hay, Senior Internal Auditor		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

### **REPORT SUMMARY/COVER PAGE**

<p><b>PURPOSE OF REPORT/SUMMARY:</b></p> <p>The Audit Committee was established in 2006, with Terms of Reference (ToR) drawn up in line with the guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA). The ToR should be reviewed every three years by the Committee and any updates presented to Cabinet for approval and Council for approval and incorporation into the constitution.</p>
<p><b>KEY ISSUES:</b></p> <p>The Audit Committee effectiveness report highlighted improvements required to the Audit Committee ToR to meet the requirements of the Accounts and Audit Regulations 2015. Additionally, upon reviewing the latest guidance from CIPFA (CIPFA position statement 2022 Audit Committees in Local Authorities and Police) the following amendments are suggested:</p> <ul style="list-style-type: none"> <li>• Clarity of the membership of the Audit Committee</li> <li>• Introduce wording to allow for the appointment of an Independent Co-opted Member to the Audit Committee.</li> <li>• The Committee’s responsibility for receiving assurances on the Wholly owned companies.</li> <li>• The term Chairman revised to Chairperson.</li> <li>• Clarity on the role and responsibility of the Audit Committee and the inclusion of “exclusions within the wider functions of the Executive”.</li> <li>• A commitment to reviewing the ToR every three years by the Committee and if changes are agreed recommending these are approved by Council.</li> </ul> <p>As outlined within the above updated guidance from CIPFA, it is anticipated that it will be requirement for Audit Committee’s to appoint non-voting lay persons. A paper was presented at Audit Committee on 20th February 2023 where the Audit Committee discussed the report and resolved in principle that it agreed the appointment of an Independent Person(s) to the Audit Committee.</p>
<p><b>OPTIONS CONSIDERED:</b></p> <ul style="list-style-type: none"> <li>• To approve these updated Audit Committee ToR, <b>or</b></li> <li>• Suggest any further amendments prior to the approval of these updated Audit Committee ToR.</li> </ul>
<p><b>RECOMMENDATIONS:</b></p> <p>That Audit Committee approve or amend the ToR and recommend to Cabinet and to Council that the revised ToR for the Audit Committee be adopted.</p>
<p><b>REASONS FOR RECOMMENDATIONS:</b></p> <p>To enable the Audit Committee to continue to fulfil its role as required by Accounts and Audit Regulations 2015 and in accordance with the guidelines provided by CIPFA.</p>

