

Classification: Public

Key Decision: No

Gravesham Borough Council

Report to: Finance & Audit Committee

Date: 24 July 2018

Reporting officer: Assistant Director (Corporate Services)

Subject: Review of Finance & Audit Committee Terms of Reference

Purpose and summary of report:

To inform Members of updates made to the CIPFA Position Statement on Audit Committees in Local Authorities and Police.

To inform Members of a proposal to update the Terms of Reference of the Finance & Audit Committee in light of the updated CIPFA Position Statement.

Recommendations:

1. The Finance & Audit Committee recommend to Full Council that the proposed update to the Terms of Reference of the Finance & Audit Committee be adopted.

1. Background

- 1.1 The Terms of Reference of the Finance & Audit Committee are kept under review to ensure they remain relevant and reflective of best practice, as defined by Audit Committee guidance issued by the Chartered Institute of Public Finance & Accountancy (CIPFA).
- 1.2 The current Terms of Reference are reflected in the Constitution of the council and have remained unchanged for a number of years. A copy of the current Terms of Reference of the Committee is provided at Appendix Two for Members' information.

2. Review of Finance & Audit Committee Terms of Reference 2018

- 2.1 Earlier this year, CIPFA issued an updated Position Statement reflecting changes since the initial guidance was issued in 2005. These changes include the introduction of the Public Sector Internal Audit Standards, Annual Governance Statements and their associated guidance. A copy of the Position Statement has been provided for Members' information at Appendix Three.

- 2.2 The guidance retains the stance that audit committees are a key component of an authority's governance framework and that their function is to provide an independent and high-level resource to support good governance and strong public financial management.
- 2.3 At the inaugural Local Audit Quality Forum, Public Sector Audit Appointments (PSAA) promoted the value of having a strong and effective audit committee and encouraged local authorities to increase the organisational awareness of the committee through the production of annual reports on their work.
- 2.4 A desktop review of the Terms of Reference of the Finance & Audit Committee identified a number of enhancements to be made to ensure that these remain relevant and in line with best practice and support the production of an annual report on the work of the committee. To this end, a proposed update to the Terms of Reference is attached at Appendix Four, with a summary of the key updates made attached at Appendix Five for Member information.

3. BACKGROUND PAPERS

- 3.1 There are no background papers to this report.

IMPLICATIONS

APPENDIX 1

Legal	N/A
Finance and Value for Money	N/A
Risk Assessment	There are no significant risks arising from this report; regular review of the Terms of Reference of the Audit Committee will ensure they remain relevant and reflect best practice.
Equality Impact Assessment	Screening for Equality Impacts
	Question
	a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer. No
	b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer. No
	<i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i>
Corporate Plan	N/A
Crime and Disorder	N/A
Digital and website implications	N/A
Safeguarding children and vulnerable adults	N/A

