

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CONSTITUTION COMMITTEE**

DATE: **WEDNESDAY, 16 OCTOBER 2013**

REPORT BY: **HEAD OF FINANCE**

SUBJECT: **AUDIT COMMITTEE TERMS OF REFERENCE**

1.00 PURPOSE OF REPORT

1.01 To seek member's agreement to changes to the Audit Committee Terms of Reference contained in Article 7 in the Council Constitution.

2.00 BACKGROUND

2.01 It is good practice to consider the Terms of Reference of the committee on a regular basis.

2.02 The Role of the Audit Committee was updated last year to take into account the changes introduced by the Local Government Measure. The 4 parts of the role were listed as A, B, C and D. However, at that time the remainder of the Terms of Reference were not reviewed.

2.03 The last review took place some years ago. During that time the areas of responsibility of the committee have widened considerably. The changes outlined below reflect current practice rather than expanding the areas of responsibility further.

2.04 A full review has now taken place and the proposed new wording is shown in Appendix A. The changes from the current wording were agreed at the Audit Committee meeting on 30th July 2013, with minor amendments which have been incorporated in Appendix A.

3.00 CONSIDERATIONS

3.01 The main changes are:-

- The headings have changed to correspond with the 4 parts of the role, listed A, B, C and D
- The role of the committee is clarified in terms of financial affairs.
- The work of the committee is specified for risk management, corporate governance, treasury management and collaborations.

- The review of the Anti Fraud and Corruption Strategy, Fraud Response Plan and Whistleblowing Policy is included.
- Reports from other regulatory bodies are included.
- Approval of the Internal Audit Charter, the receipt of the Annual Report and the monitoring of performance indicators is included
- A strengthening of reporting on the implementation of audit recommendations.
- From the Local Government Measure, the ability of the committee to require the presence of a member or officer (previously 'request').
- The frequency of meetings as laid down by the Local Government Measure – at least once a year, but as many as the committee wants.
- The training requirements for the committee.
- The need for the committee to act apolitically is stated.

3.03 The committee is asked to consider the proposed changes to the Audit Committee Terms of Reference, as agreed by the Audit Committee. Article 7 currently states that “The Audit Committee will keep the above terms of reference under annual review and propose any amendment to the County Council”. It is suggested that these words should be deleted so that in future years the annual review does not automatically have to be referred to County Council. Article 19.2 enables minor or consequential changes to be made by the Head of Legal and Democratic Services following consultation with the chair of the committee and group leaders if none of them require the matter to be considered by Council.

4.00 RECOMMENDATIONS

4.01 The committee is requested to consider and approve the changes agreed by the Audit Committee.

4.02 The committee is requested to agree to the removal of the sentence in Article Seven which refers to changes being referred to the County Council.

5.00 FINANCIAL IMPLICATIONS

5.01 None as a direct result of this report.

6.00 ANTI POVERTY IMPACT

6.01 None as a direct result of this report.

7.00 ENVIRONMENTAL IMPACT

7.01 None as a direct result of this report.

8.00 EQUALITIES IMPACT

8.01 None as a direct result of this report.

9.00 PERSONNEL IMPLICATIONS

9.01 None as a direct result of this report.

10.00 CONSULTATION REQUIRED

10.01 Audit Chair and Vice Chair, WAO, Chief Executive, Head of Finance, Head of Legal and Democratic Services, Democracy and Governance Manager.

11.00 CONSULTATION UNDERTAKEN

11.01 Audit Chair and Vice Chair, WAO, Chief Executive, Head of Finance, Head of Legal and Democratic Services, Democracy and Governance Manager.

12.00 APPENDICES

12.01 Draft Terms of Reference for the Audit Committee.

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

Local Government Measure 2011 and Guidance to the Measure.

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