

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **FLINTSHIRE COUNTY COUNCIL**

DATE: **TUESDAY, 12 NOVEMBER 2013**

REPORT BY: **HEAD OF LEGAL AND DEMOCRATIC SERVICES**

SUBJECT: **UPDATE OF ARTICLE 7 OF CONSTITUTION ON
AUDIT COMMITTEE ROLE**

1.00 PURPOSE OF REPORT

1.01 For Council to approve changes to the Audit Committee role contained in Article 7 of the Council Constitution.

2.00 BACKGROUND

2.01 Article 7 of the Constitution deals with the Audit Committee and paragraph 7.01 details its role.

2.02 The role of the Audit Committee was updated last year to reflect the changes introduced by the Local Government (Wales) Measure 2011 that came into effect in May 2012. However, at that time the remainder of the role was not reviewed and has not been reviewed for some years.

2.03 It is considered good practice to review the role of the Audit Committee on a regular basis particularly as the areas of its responsibility have widened considerably.

2.04 A full review has now taken place to reflect current practice. The review was reported to the Audit Committee meeting of 30 July 2013 and to the Constitution Committee at its meeting on the 16 October 2013. Attached as appendix A is the revised wording following consideration by those committees.

3.00 CONSIDERATIONS

3.01 The main changes are:-

- 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.

3.02 The current wording of Article 7 states that the Audit Committee will keep its terms of reference under annual review and propose any amendment to the County Council. This wording predates amendments made to Article 19.02 of the Constitution whereby some amendments can now be made to the Constitution without the need for a report to County Council. This is where there is consultation with the Chair of the Constitution Committee and the political Group Leaders and none of them require the proposed change to be reported to County Council. Whilst it is proposed to have annual reviews of Audit Committee's role it is suggested that to avoid delay in implementing changes these should not automatically have to be referred to County Council. Instead in future any changes should be subject to the normal provisions in Article 19.02 whereby minor or consequential changes can be made following consultation with the Chair of the Constitution Committee and Group Leaders if none of them require the matter to be considered by Council.

4.00 RECOMMENDATIONS

4.01 The Council is requested to approve the changes to Article 7 set out in appendix A.

5.00 FINANCIAL IMPLICATIONS

5.01 None as a result of this report.

6.00 ANTI POVERTY IMPACT

6.01 None as a result of this report.

7.00 ENVIRONMENTAL IMPACT

7.01 None as a result of this report.

8.00 EQUALITIES IMPACT

8.01 None as a result of this report.

9.00 PERSONNEL IMPLICATIONS

9.01 None as a result of this report.

10.00 CONSULTATION REQUIRED

10.01 None.

11.00 CONSULTATION UNDERTAKEN

11.01 With the Constitution Committee of the 16 October 2013.

12.00 APPENDICES

12.01 Appendix A – Draft Terms of Reference for the Audit committee

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

Local Government (Wales) Measure 2011 and Guidance to the Measure.

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