

Audit Committee

26 September 2024

Audit Committee – Review of Terms of Reference

Report from: James Larkin, Head of Audit & Counter Fraud Shared Service
(Chief Audit Executive)

Summary

To review the Terms of Reference of the Audit Committee and to agree any changes Members consider necessary.

1. Recommendations

1.1. The Committee is recommended to approve the review of the Terms of Reference.

2. Budget and policy framework

2.1. The establishment and terms of reference of council committees are outside the council's policy and budget framework; any revisions to the terms of reference must be approved by Council.

3. Background

3.1. The Audit Committee was established, and its Terms of Reference were agreed by Council in 2006, following the publication of guidance from the Chartered Institute of Public Finance & Accountancy (CIPFA). The Terms of Reference should be reviewed by the committee on a regular basis, to ensure that they remain relevant and reflect best practice.

3.2. The current Audit Committee Terms of Reference were last reviewed in June 2023 and are documented in the Constitution of the council. A copy can be found at Appendix 1.

4. Review of the Audit Committee Terms of Reference 2024

4.1. The Terms of Reference (TOR) are based on the Position Statement on Local Government Audit Committees issued by CIPFA in 2022. A copy can be found at Appendix 2.

- 4.2. Although the Position Statement and associated guidance are not statutory, there is an expectation that *'all local government bodies should make their best efforts to adopt the principles, aiming for effective audit committee arrangements'*.
- 4.3. The Terms of Reference were subject to significant change in 2023 to align with the latest position statement. As there has been no further update to the position statement, the Terms of Reference agreed in 2023 are considered to be appropriate and no changes are proposed.

5. Risk Management

- 5.1. 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.

6. Climate change implications

- 6.1. There are no climate change implications in this report.

7. Financial implications

- 7.1. The Audit Committee has oversight of the council's, governance, and internal control arrangements, as well as the arrangements for financial reporting and statutory statement of accounts.

8. Legal implications

- 8.1. There are no legal implications arising from this report.

Lead officer contact

James Larkin, Head of Audit and Counter Fraud Shared Service
james.larkin@medway.gov.uk

Appendices

Appendix 1 – Current Audit Committee Terms of Reference
Appendix 2 – CIPFA Audit Committee Position Statement 2022

Background papers

None