

report



meeting **COUNTY COUNCIL**

date 6th April 2006

agenda item number 9(b)

REPORT OF THE MONITORING OFFICER

Amendments to the Constitution – Audit Committee

1. Purpose of the report

To seek approval to amendments to the Constitution relating to the terms of reference of the Audit Committee.

2. Background

2.1. In January the Audit Committee reviewed its terms of reference which had been agreed in 2002.

2.2. In doing so they considered guidance published by CIPFA on the role of Audit Committees.

3. Summary of CIPFA Guidance

3.1. The main features of the guidance are:

3.1.1. Good corporate governance requires independent, effective assurance about financial management which can best be provided through the Audit Committee.

3.1.2. The profile of internal control can be raised by an effective Audit Committee.

3.1.3. Audit Committees should in addition to internal and external audit oversee risk management, the Authorities governance and assurance statements and anti-fraud and corruption arrangements.

3.1.4. An effective Audit Committee assists the Chief Financial Officer discharge their statutory functions.

4. Checklist

4.1. The Guidance included a self assessment checklist which the Audit Committee considered. Overall the current role of the Audit Committee complied well with the checklist but there was variation in relation to membership of the Committee and training of its members.

5. Proposed terms of reference

5.1. At **Appendix 1** is a proposed terms of reference.

6. Statutory and Policy Implications

6.1. This report has been compiled after consideration of implications in respect of finance, equal opportunities, personnel, Crime and Disorder and those using the service. Where such implications are material; they have been described in the text of the report.

7. RECOMMENDATIONS

It is recommended:

5.1 That the County Council approves the amended terms of reference of the Audit Committee as set out at **Appendix 1** and delegates authority to the Monitoring Officer to effect the necessary changes.

Legal Services Comments

Council meeting has the constitutional delegation to approve the recommendations in this report [EB 23.03.06]

Director of Resources Comments

There are no additional costs from the changes in the terms of reference, but if additional training is required for members of the Audit Committee, this will be met from the budget for members training expenses" (PH 23/3/06)

Background Papers

Nil.

Electoral Divisions Affected

All