



Leicester
City Council

WARDS AFFECTED

All Wards

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Full Council

29 April 2021

CHANGES TO THE TERMS OF REFERENCE OF THE AUDIT & RISK COMMITTEE

Report of the Monitoring Officer

1. PURPOSE OF REPORT

To seek the agreement of Full Council to some changes to the organisation of the Audit & Risk Committee.

2. SUMMARY

As part of our Constitutional arrangements (Rule 35 Council Procedure Rules) Full Council needs to agree certain matters in respect of the Audit & Risk Committee (which is a Committee of Council). These cover:

- i. The size of the Committee
- ii. The Terms of Reference.
- iii. Agreement of its first meeting date and cycle of meetings thereafter.

The Terms of Reference for each of the Council's Committees are endorsed at the Council AGM each year, and whenever the need arises in the interim.

It is proposed to make changes to the Terms of Reference as follows:

- A. Formatting/text changes.
- B. Updating for new reports and timings
- C. Changes to officer membership, allowing delegations.
- D. Updating for Leicestershire County Council completing our internal audit.
- E. Update the Terms of Reference to note that one Executive member may be appointed to sit on the committee.

3. RECOMMENDATIONS (OR OPTIONS)

- 3.1 To approve the changes at A to E above

4. REPORT

4.1 Background

It is proposed to update the current Audit & Risk Committees terms of reference to ensure they reflect the current arrangements and comply with the CIPFA best practice. CIPFA's position statement on Audit Committees recognises the key component the committee play in supporting good governance and strong public financial management. The main areas of change are detailed as part of this report.

4.2 Formatting/text changes

The terms of reference have been updated to remove the duplication with other parts of the constitution. For example, it previously referred to Councillors being able to attend the meeting when not a member of the Committee. This is already included in the Constitution at Council Procedure Rule 42 (Part 4A).

4.3 Updating for new reports and timings

The terms of reference have been updated for changes in reporting to the committee. The main changes are detailed below:

- Changes in the reporting of complaints to the Committee, to meet the requirements of the Local Government and Social Care Ombudsman.
- Inclusion of an annual report on insurance.
- Updated arrangements for procurement reporting.

These changes on reporting will assist with driving the Committee's annual work plan.

4.4 Changes to officer membership

An update of the senior officers attending the meeting regularly. The officers attending refers to the Director of Finance (S151) or their nominated officer, along with the Head of Internal Audit Service (or their nominees). It also notes that the External Auditors will have a standing invitation to the meeting and other officers will attend as required and by request of the Chair.

4.5 Updating for Leicestershire County Council completing our internal audit

The terms of reference separates governance from internal audit, following the transfer of the internal audit function to Leicestershire County Council.

4.6 Change to membership, noting an Executive member to sit on the committee

The Audit & Risk Committee is not a scrutiny committee. There is therefore no prohibition on Executive Members being included as members of the Committee. It is proposed that one Executive Member can sit on the Committee to improve the linkages between the Executive and the Committee. However, they cannot be chair and quorum

requires three non-executive councillors. This is to maintain the independence of the Committee and ensure good governance.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1. Financial Implications

There are no significant financial implications arising directly from this report.
Amy Oliver, Interim Head of Finance, 0116 4545667

5.2 Legal Implications

The report is concerned with legal implications throughout.

6. OTHER IMPLICATIONS

OTHER IMPLICATIONS	YES/NO	Paragraph Within the Report	References
Equal Opportunities			
Policy			
Sustainable and Environmental			
Crime and Disorder			
Human Rights Act			
Elderly/People on Low Income			
Corporate Parenting			

7. BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972

8. CONSULTATIONS

9. REPORT AUTHOR

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