

**EXECUTIVE MANAGEMENT TEAM'S**  
**REPORT TO AUDIT & STANDARDS COMMITTEE**

**11 November 2019**

**Report Title:** Review and Update of Responsibilities of the Council, its Committees and Sub Committees

**Submitted by:** Interim Head of Legal & Monitoring Officer

**Portfolios:** Leader of the Council – Corporate and Service Improvement, People and Partnerships

**Ward(s) affected:** All

**Purpose of the Report**

To advise members of the Audit and Standards Committee of proposed changes to the terms of reference for the Committee.

**Recommendation**

To note the proposed changes to the current Terms of Reference as set out at Appendix A of this report and recommend their approval to full Council.

**Reasons**

The proposed changes to the Terms of Reference are part of a comprehensive review of the Terms of Reference all Committees and Sub Committees and form part of the review of the Council's Constitution. Any changes will require full Council approval.

1. **Background**

1.1 The responsibilities of the Council, its Committees and Sub Committees are currently set out at Appendix 1 of the Constitution. The document was last updated in September 2016 and so requires reviewing to reflect the Council's current committee structure and generally. There are a number of proposed changes which affect the Audit and Standards Committee and members views are sought. Any changes will require the approval of full Council and will also be considered by the Constitution and Member Support Working Group.

2. **Issues**

2.1 The Council should regularly review its Constitution and update the provisions.

2.2 Appendix 1 is currently divided into three main sections:

- Appendix 1 sets out the responsibilities of Full Council
- Annex 1 to Appendix 1 sets out Non executive Statutory Functions
- Annex 2 to Appendix 1 sets out the Terms of Reference for Committees, Sub Committees and Working Parties of full Council

2.3 The opportunity has been taken to move all the Terms of Reference for Council and all Committees and sub Committees and Working Parties into one Appendix and just keep Annex 1. Annex 1 has

not been reviewed but was only updated in September 2018.

3. **Proposal**

3.1 There are a number of significant changes to the current Terms of Reference for the Audit and Standards Committee. An overview of the proposed changes are set out below and the full text of the amended Terms of Reference for the Audit and Standards showing track changes is set out at Appendix A.

APPENDIX 1	CONTENT	COMMENT
Audit and Standards Committee	<p>Changes the name from Audit and Risk Committee to Audit and Standards</p> <p>Updates the current Terms of Reference based on CIPFA guidance</p> <p>Adds the former Terms of Reference of the Standards Committee</p>	<ul style="list-style-type: none"> <li>• Adds the Terms of Reference from the Standards Committee and deletes that as a separate committee</li> <li>• Re-writes the Terms of Reference for the Audit Committee &amp; replaces with the suggested Terms of Reference from CIPFA for Audit Committees &amp; includes additional items which NULBC gives the Committee responsibility to deal with</li> <li>• Incorporates all the Terms of Reference from the former Standards Committee and establishes a new Sub Committee of 3 members (politically balanced) to sit as a Hearings Panel to determine complaints under the Code of Conduct. This is to avoid the full Audit and Standards Committee sitting to hear complaints</li> </ul>

4. **Reasons for Proposed Solution**

4.1 It is important to regularly review and update the Terms of Reference of Committees to reflect the latest legislative requirements, best practice and changes in the Councils Governance arrangements.

4.2 CIPFA has recently updated its practical guidance on the function and operation of Audit Committees. This represents best practice for Audit Committees in Local Authorities throughout the UK. Appendix B of the Guidance sets out suggested Terms of Reference for Local Authorities and it is recommended that this replaces the current Terms of Reference for the former Audit and Risk Committee. The CIPFA Terms of Reference are very comprehensive and so very lengthy in comparison to the original wording but as they are considered to best practice it seems sensible to recommend their adoption.

4.3 The terms of Reference for the former Standards Committees have also been added but a new and separate Hearings Panel is proposed to be established to consider formal complaints under the Code of Conduct rather than the whole Committee sitting to hear complaints. This tends to be the practice adopted elsewhere.

5. **Options Considered**

There is an option to do nothing but this would mean continuing to work with Terms of Reference which are out dated which is not good practice and unhelpful to both officers and elected members.

6. **Legal and Statutory Implications**

All local authorities are required to have a written Constitution which must be kept under regular review and publicised. Any amendments to the Constitution require the approval of full Council.

7. **Equality Impact Assessment**

Where any equality impact has been identified it has been addressed.

8. **Financial and Resource Implications**

No significant additional resources will be required in relation to the recommendations

9. **Major Risks**

That the Terms of Reference do not reflect up to date legal requirements and /or best practice resulting in challenge to Council decisions and/or reputational damage.

10. **Sustainability and Climate Change Implications**

There are no direct implications

11. **Key Decision Information**

N/A

12. **Earlier Cabinet/Committee Resolutions**

N/A

13. **List of Appendices**

Appendix A – showing new draft Terms of Reference for Audit and Standards Committee with tracked changes

14. **Background Papers**

CIPFA - Practical Guidance on the Function and Operation of Audit Committees.