

TELFORD & WREKIN COUNCIL

AUDIT COMMITTEE 16th SEPTEMBER 2008

DRAFT UPDATED TERMS OF REFERENCE

REPORT OF THE CORPORATE DIRECTOR RESOURCES

1 PURPOSE

- 1.1 To seek the Audit Committees comments on the updated terms of reference for the Audit Committee to be considered by the Council's Constitution Committee on 29th September 2008.

2 RECOMMENDATIONS

- 2.1 That Members of the Audit Committee agree the terms of reference attached as Appendix A for consideration by the Council's Constitution Committee.

3 SUMMARY

- 3.1 The Audit Committees terms of reference specify that the terms of reference should be reviewed annually.
- 3.2 The revised Audit Committee arrangements have been effective from the 2008/09 municipal year. It is timely to review them to reflect best practice and because it has been identified during business that there were some activities that had incorrectly remained with the Standards Committee.
- 3.3 The proposed terms of reference at Appendix A will be presented to the Council's Constitution Committee on 29th September 2008 and will be effective following agreement at Council on 27th November 2008.

4 PREVIOUS MINUTES

- 4.1 Council 24th April 2008

5 INFORMATION

- 5.1 The terms of reference have been re-organised under appropriate headings to provide clarity on the specific areas included.
- 5.2 The section on Fraud has been included and deleted from the Standards Committee terms of reference.
- 5.3 The section on complaints has been included to reflect best practice.
- 5.4 The other minor changes made have been to properly reflect the CIPFA¹ Code of Practice for Internal Audit in Local Government 2006.

¹ Chartered Institute of Public Finance and Accountancy

6 OTHER CONSIDERATIONS

AREA	COMMENTS
Equal Opportunities	The business of the Audit Committee should ensure that any legislative and Council requirements on equal opportunities are met.
Environmental Impact	There are no environmental impacts from the report but Internal Audit do review and may report to the Committee on Environmental/ sustainability issues.
Legal Implications	There is no legal requirement to have an Audit Committee but the Audit Commission within CPA (CAA) and CIPFA prescribe that the Council should have an Audit Committee or equivalent to support a good governance and assurance framework. The terms of reference are contained within the Constitution and require annual review.
Links with Corporate Priorities	Having an Audit Committee and reviewing its terms of reference regularly contributes to the Council's priority 7 – a modern and effective Council.
Risks and Opportunities	The Audit Committee has an important role in monitoring that the Council's risk management processes are operating effectively. The risks and opportunities associated with the committee have been identified and appropriate controls put in place to manage them.
Financial Implications	There are no financial implications arising from this report. The Committee is serviced by officers of the Council and any associated costs are met from within existing budgets.
Ward Implications	The Audit Committee covers all areas of the Council and therefore there are district wide implications that could affect all Council Wards.

7 BACKGROUND PAPERS

Constitution April 2008

CIPFA Code of practice for Internal Audit in Local Government 2006

CIPFA Audit Committees – Practical Guidance for Local Authorities 2005

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