

**BRIDGEND COUNTY BOROUGH COUNCIL**

**REPORT TO AUDIT COMMITTEE**

**10 APRIL 2014**

**REPORT OF THE CORPORATE DIRECTOR – RESOURCES**

**AUDIT COMMITTEE TERMS OF REFERENCE**

**1. Purpose of Report.**

1.1 To present to Members amendments to the Audit Committee's Terms of Reference, for information.

**2. Connection to Corporate Improvement Objectives / Other Corporate Priorities.**

2.1. Internal Audit's work impacts on all of the Corporate Improvement Objectives / other Corporate Priorities.

**3. Background**

3.1. The Chartered Institute of Public Finance and Accountancy (CIPFA) have published "Audit Committees" – Practical Guidance for Local Authorities and Police 2013 Edition. This publication sets out CIPFA's guidance on the function and operation of audit committees in local authorities. The guidance represents CIPFA's view of best practice for audit committees and recognises that audit committees are a key component of governance, within the publication it states:-  
*"The purpose of an audit committee is to provide to those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes".*

**4. Current situation / proposal**

4.1 Taking into consideration the suggested terms of reference as outlined in the CIPFA publication, together with the necessary regulations including the Accounts and Audit (Wales) Regulations 2005; the Accounts and Audit (Wales) (Amendment) Regulations 2010; the Local Government (Wales) Measure 2011 and CIPFA's Delivering Good Governance in Local Government Framework; the current Terms of Reference for the Audit Committee have been amended (using tracked changes) as set out in Appendix 1.

4.2 The proposed amendments have been necessary to ensure that the Audit Committee's Terms of Reference are aligned to those outlined in the CIPFA publication and to ensure compliance with the Public Sector Internal Audit Standards. The amended Terms of Reference will be presented to Council at a future meeting, for approval, following which the Constitution will be amended accordingly.

**5. Effect upon Policy Framework & Procedure Rules.**

5.1. The Council's Constitution will require amendment to reflect the updated Terms of Reference.

## **6. Equality Impact Assessment.**

6.1. There are no equality implications.

## **7. Financial Implications.**

7.1. None

## **8. Recommendation.**

It is recommended that the Committee:

8.1 Note the amended Terms of Reference attached as Appendix 1;

8.2 Note that the amended Terms of Reference will be presented to Council for approval.

**Ness Young**  
**Corporate Director – Resources**  
**10<sup>th</sup> April 2014**

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## **Background Documents**

None