



North Devon Council

Report Date: Tuesday, 11 March 2025

Topic: Review of committee terms of reference

Report by: Simon Fuller, Senior Solicitor and Monitoring Officer

1. INTRODUCTION

1.1. Part of the Governance Committee's function is as an audit committee. On review of "CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022" it is considered helpful to provide additional information as to the nature of what this function entails.

2. RECOMMENDATIONS

2.1. That the Governance Committee's terms of reference are updated by a recommendation to Full Council to update paragraph 5 Annexe 1 to Part 3 of the Constitution as provided at Appendix 1 to this report.

3. REASONS FOR RECOMMENDATIONS

3.1. The Governance Committee's terms of reference are appropriate as regards its functions, however it is considered helpful and in line with CIPFA guidance to provide additional information within the Constitution as to the scope of what the Governance Committee's audit function entails.

4. REPORT

4.1. The Governance Committee's terms of reference are set out in paragraph 5 of Annexe 1 to Part 3 of the Constitution and set out the functions of the Governance Committee. This both explains what the Governance Committee does and also constrains its powers so that they cannot go beyond what is set out in the wording therein.

4.2. At present paragraph 5(a), (b) and (c) are quite brief and most likely intentionally so, in order to allow the wording to be interpreted as widely as possible. For instance reference to the Governance Committee holding having "Audit functions including receiving and considering reports and making recommendations on them" is a valid set of wording for the audit function of Governance Committee. However on review of the CIPFA Position Statement: Audit Committees in Local Authorities and Police 2022 it is considered helpful to be more descriptive as to what these "audit functions" entail.

4.3. The purpose of this change is not to constrain what the Governance Committee can consider as regards its audit function, but instead to allow for additional transparency, for members, officers and members of the public alike as to the kinds of things that these audit functions should entail. The list is not exhaustive and so does not limit the wide ranging nature of the original



wording. This wording also incorporates the wording of paragraphs (b) and (c) in terms of the annual governance statement and considering reports from the Local Government Ombudsman.

4.4. These changes are as recommended by the CIPFA Position Statement as being applicable core functions for an audit committee.

5. RESOURCE IMPLICATIONS

5.1. None.

6. EQUALITIES ASSESSMENT

6.1. It is not considered that there will be any equalities implications as a result of the recommendations in this report. The recommendations should increase the awareness of the audit function of the Governance Committee.

7. ENVIRONMENTAL ASSESSMENT

7.1. There are no environmental implications arising from the proposals in this report.

8. CORPORATE PRIORITIES

8.1. What impact, positive or negative, does the subject of this report have on:

8.1.1. The commercialisation agenda: None

8.1.2. Improving customer focus: It is considered that this will have a positive impact on the understanding of the audit function will be carried out by Governance Committee, including what this means

8.1.3. Regeneration or economic development: None

9. CONSTITUTIONAL CONTEXT

9.1. Save as provided in paragraph 9.2 below, the decision in respect of the recommendations in this report can be made by this Committee pursuant to delegated powers provided in Part 3 Annex 1 paragraph 5 of the Constitution.

9.2. As noted in the report, the power to decide on one or more of the recommendations in this report is reserved to Council pursuant to Article 4.5.1 and as such the recommendation must be referred to Council to ratify.

10. STATEMENT OF CONFIDENTIALITY

This report contains no confidential information or exempt information under the provisions of Schedule 12A of 1972 Act.

11. BACKGROUND PAPERS

The following background papers were used in the preparation of this report: (The background papers are available for inspection and kept by the author of the report).

North Devon District Council's Constitution



CIPFA's Position Statement: Audit Committees in Local Authorities and
Police 2022

12. STATEMENT OF INTERNAL ADVICE

The author (below) confirms that advice has been taken from all appropriate Councillors and Officers: Simon Fuller, Senior Solicitor and Monitoring Officer