

Birmingham City Council

Audit Committee

29th November 2023



Subject: **New Terms of Reference for the Audit Committee**
Report of: Interim Director of Finance (Section 151 Officer)
Fiona Greenway
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Does the report contain confidential or exempt information? Yes No

If relevant, state which appendix is exempt, and provide exempt information paragraph number or reason if confidential :

1 Executive Summary

- 1.1 The New Terms of Reference for the Audit Committee will help to ensure its alignment with current best practices as set out by CIPFA in the '*Audit Committees: Practical Guidance for Local Authorities and Police 2022 Edition*' and in compliance with CIPFA's '*Position Statement: Audit Committees in Local Authorities and Police 2022.*'

2 Recommendation(s)

- 2.1 That the Audit Committee makes comment on the new terms of reference as necessary, including any specific amendments.
- 2.2 That the Audit Committee notes the new requirements and responsibilities, in particular, the requirement for the committee to conduct an annual review of its compliance with the CIPFA Position Statement 2022.
- 2.3 That the Audit Committee approves the terms of reference for consideration and approval by Full Council as necessary to amend the constitution: Part B Roles, Functions and Rules of Procedure May 2023 B14 Audit Committee

3 Background

3.1 CIPFA's Position Statement 2022: Audit committees in local authorities and police 2022 states that:

3.1.1 The Audit Committee is a key component of an authority's governance framework. Their purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The committee's role in ensuring that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance that those arrangements are effective.

3.2 In a local authority the full council is the body charged with governance. The audit committee may be delegated some governance responsibilities but will be accountable to full council.

3.3 The committee has oversight of both internal and external audit together with the financial and governance reports, helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability.

3.4 This Terms of Reference ensures the Audit Committee is operating to the latest best practice and; provides reference for both Members and Officers to ensure appropriate focus of reports for this Audit Committee and reporting on to other parts of the authority as stated in the terms of reference.

4 Legal Implications

4.1 There are no other legal implications other than those set out in the report

5 Financial Implications

5.1 The work of the Audit Committee is a vital part of the Council's governance framework. An effective terms of reference should ensure the resources of the Audit Committee are directed at the most important areas of focus for the Committee

6 Public Sector Equality Duty

7.1 There are no public sector equality duties arising from this report.

7 Other Implications

- 7.1 The recommendations as set out in this document will ensure the appropriate apolitical and independent responsibilities and accountabilities rest with the Audit Committee

8 Background Papers

- 8.1 28th June 2023 Audit Committee: Improving the Effectiveness of Audit Committee

9 Appendices

- 9.1 New Terms of Reference for the Audit Committee