

WYRE FOREST DISTRICT COUNCIL

AUDIT COMMITTEE
28th SEPTEMBER 2009

AUDIT COMMITTEE – TERMS OF REFERENCE

OPEN	
SUSTAINABLE COMMUNITY STRATEGY THEME	Internal Organisational Theme
CORPORATE PLAN AIM:	A well-run and responsive Council
CABINET MEMBER:	Councillor Nathan Desmond
REPORT PREPARED BY:	David Buckland, Director of Resources Ext 2100 david.buckland@wyreforestdc.gov.uk
APPENDICES:	Proposed Audit Committee – Terms of Reference

1. PURPOSE OF REPORT

- 1.1 The terms of reference for the Audit Committee were last considered on 22 April 2008, the reason for this report is to slightly amend the current terms of reference to remove any ambiguity in relation to the role of the Audit Committee.

2. RECOMMENDATIONS

- 2.1 **The Audit Commission is asked to RECOMMEND to Council that, the proposed Terms of Reference (Appendix 1) be approved.**

3. BACKGROUND

- 3.1 The Audit Committee is responsible for the consideration and approval of the Council's Annual Statement of Accounts. This role is in line with the Local Government Act 2000, which stated that the Approval of the Authorities Accounts could be undertaken by Council or a regulatory committee of the Council, such as Wyre Forest's Audit Committee.

- 3.2 During the recent audit of the Council's accounts it was raised by the Audit Commission that the wording within the Terms of Reference for the Committee could be considered to be ambiguous. The current wording is as follows:

“Consider and make recommendations, if appropriate, on the Annual Statement of Accounts.”

- 3.3 The same phraseology is also used in relation to the Council's Annual Governance Statement.

- 3.4 To ensure that there is no further misunderstanding in regard to the role of the Audit Committee in relation to the Council's Statement of Accounts it is proposed that the following wording be incorporated within the Terms of Reference for the Committee and therefore within the Council's constitution:

“Consider and approve the Annual Statement of Accounts.”

- 3.5 It is also proposed that the same wording in regard to the approval be used in relation to the Annual Governance Statement. The proposed changes include updating in relation to post titles is attached at Appendix 1.

4. KEY ISSUES

- 4.1 The proposed change in the Terms of Reference does not change the role of the Committee but makes the wording less ambiguous.

5. FINANCIAL IMPLICATIONS

- 5.1 There are no financial implications arising from this report.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 This is a proposed change to the Council’s Constitution and will require the approval of Council.

7. RISK MANAGEMENT

- 7.1 This will remove the risk of challenge from the external auditors in relation of the authority of the Audit Committee to approve the Annual Statement of Accounts.

8. CONCLUSION

- 8.1 The proposed change to the Terms of Reference for the Audit Committee, does not change the role of the Committee. The sole reason for the change in the wording is to ensure that there is no ambiguity in relation to the approval of the Council’s Annual Statement of Accounts.

9. CONSULTEES

- 9.1 Corporate Management Team.

10. BACKGROUND PAPERS

- 10.1 Audit Committee – 22 April 2008 – Terms of Reference