

North Yorkshire County Council**EXECUTIVE****13 October 2020****Proposed Changes to the Constitution for recommendation to County Council****Report of the Assistant Chief Executive (Legal and Democratic Services)****1.0 PURPOSE OF REPORT**

- 1.1 To present to Members, for their consideration for recommendation to full Council for approval, proposed changes to the Constitution.

2.0 BACKGROUND

- 2.1 The Constitution is maintained by the Monitoring Officer and kept under review on an ongoing basis. This report sets out amendments required to the Constitution to keep it up to date.

3.0 AMENDMENTS TO THE CONSTITUTION

- 3.1 Proposed changes to the Constitution are set out at Appendix 1. All relate to the terms of reference of the Audit Committee.

4.0 AUDIT COMMITTEE TERMS OF REFERENCE

- 4.1 In accordance with recognised best practice, Audit Committee reviews its terms of reference on a regular basis to seek to identify changes which may be required as a result of:- recent legislation; developments in recommended best practice; changes in the Council's governance arrangements; and Members' views on whether the current terms of reference enable the Committee to continue to discharge its responsibilities effectively.
- 4.2 Audit Committee, on 10 October 2018, was advised that the Chartered Institute of Public Finance and Accountancy (CIPFA) had published updated guidance on the operation of audit committees in local government and therefore some limited changes were considered appropriate to the Committee's terms of reference. The Committee agreed that the proposed changes should be made. However, due to an administrative oversight, the proposed changes were not submitted to full Council for approval at that time. To rectify the situation, the Executive is today asked to consider the proposed changes and to recommend them for approval by full Council.

- 4.3 The proposed changes are set out at Appendix 1.

- 4.4 The proposed changes are minor in nature and are considered to be not controversial.

5.0 FINANCIAL IMPLICATIONS

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

6.0 LEGAL IMPLICATIONS

- 6.1 There are no legal implications arising from this report.

7.0 **CONSULTATION**

- 7.1 Audit Committee has been consulted on the proposed changes, as described above.
- 7.2 Members of the Constitution Working Party have been consulted about the proposed changes by email of 2 October 2020. It is suggested that, if a Member of the Constitution Working Party has any objection to the proposed changes, the proposals should be submitted to a meeting of the Constitution Working Party before going to full Council.

8.0 **REASONS FOR RECOMMENDATIONS**

- 8.1 The proposed changes are recommended to reflect CIPFA guidance.

10.0 RECOMMENDATIONS

- 10.1 That, subject to any comments the Executive may have, and subject also to no objections being received from Members of the Constitution Working Party, the proposed changes to the Constitution, as set out in Appendix 1, be recommended to full Council for approval.**

BARRY KHAN
Assistant Chief Executive (Legal and Democratic Services)

County Hall
NORTHALLERTON

2 October 2020

Background Documents: The Council's Constitution

Appendices: Appendix 1

AUDIT COMMITTEE

TERMS OF REFERENCE

1. In respect of **Internal Audit**

- ♦ to approve the Internal Audit Charter, Annual Audit Plan and performance criteria for the Internal Audit Service.
- ♦ to review summary findings and the main issues arising from internal audit reports and seek assurance that management action has been taken where necessary.
- ♦ to review the effectiveness of the anti-fraud and corruption arrangements throughout the County Council.
- ♦ consider the annual report from the Head of Internal Audit.
- ♦ to obtain assurance that the work of internal audit conforms to the Public Sector Internal Audit Standards.

2. ~~To review the workplan and performance of External Audit.~~

In respect of **External Audit**

- to ensure the independence of External Audit is maintained.
- to review the annual audit plan and monitor its delivery.

3. To review, and recommend to the Executive, changes to Contract, Finance and Property Procedure Rules.

4. In respect of **financial statements**

For both the County Council and the North Yorkshire Pension Fund

- ♦ to approve the respective annual Statements of Final Accounts.
- ♦ to receive and review the Annual Audit Letters and associated documents issued by the External Auditor.
- ♦ to review changes in accounting policy.

5. In respect of **Corporate Governance**

- ♦ to assess the effectiveness of the County Council's Corporate Governance arrangements.
- ♦ to review progress on the implementation of Corporate Governance arrangements throughout the County Council.
- ♦ to approve Annual Governance Statements for both the County Council and the North Yorkshire Pension Fund.
- ♦ to liaise, as necessary, with the Standards Committee on any matter(s) relating to the Codes of Conduct for both Members and Officers.
- ♦ to work with the Standards Committee to promote good ethical standards within the County Council.
- ♦ to review the arrangements in place for ensuring good governance in the County Council's key partnerships and owned companies.

6. In respect of **Risk Management**

- ♦ to assess the effectiveness of the County Council's Risk Management arrangements.
- ♦ to review progress on the implementation of Risk Management throughout the County Council.

7. In respect of **Information Governance**
 - ◆ to review all corporate policies and procedures in relation to Information Governance.
 - ◆ to oversee the implementation of Information Governance policies and procedures throughout the County Council.
8. In respect of **Treasury Management**
 - ◆ to be responsible for ensuring effective scrutiny of the County Council's Treasury Management strategy and policies as required by the CIPFA Treasury Management Code of Practice.
 - ◆ to review these Treasury Management strategies, policies and arrangements and make appropriate recommendations to the Executive.
9. In respect of **Value for Money**
 - ◆ to have oversight of the arrangements across the County Council in securing Value for Money.
10. To consider any other relevant matter referred to it by the County Council, Executive or any other Committee. In addition any matter of concern can be raised by this Committee to the full County Council, Executive or any other Member body.
11. To exercise all functions in relation to the making and changing of policy relating to such audit and counter-fraud matters which fall within the remit of the Committee (save as may be delegated otherwise).
12. To periodically review the effectiveness of the Audit Committee itself.
13. To meet not less than four times a year on normal business and review its Terms of Reference on an annual basis.