

Appendix A		
Boston Borough Council (BBC) – Audit and Governance Committee		
Terms Of Reference (ToR) comparison to CIPFA guidance		
Governance		
The terms of reference should set out the committee's position in the governance structure of the authority.		
Updated CIPFA guidance (Audit Committee ToR)	Current BBC (nearest) section	Comments / suggested changes
Statement of purpose		
1 Our audit committee is a key component of [name of authority]'s corporate governance.	1. Our audit and governance committee is a key component of Boston's corporate governance.	No changes suggested
It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.	1 It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.	No changes suggested
2 The purpose of our audit committee is to provide independent assurance to the members [or identify others charged with governance in your authority] of the adequacy of the risk management framework and the internal control environment. It provides independent review of [name of authority]'s governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.	2. The purpose of our audit and governance committee is to provide independent assurance to the members of the adequacy of the risk management framework and the internal control environment. It provides independent review of Boston's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.	No changes suggested
Governance, risk and control		
3 To review the council's corporate governance arrangements against the good governance framework, including the ethical framework and consider the local code of governance.	3. To review the council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances	Amend to include more emphasis on the ethical framework and reference to the local Code

4 To review the AGS prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control.	4. To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control.	No changes suggested
5 To consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.	5. To consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.	No changes suggested
To consider the council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.	6 To consider the council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.	No changes suggested
7 To monitor the effective development and operation of risk management in the council.	7. To monitor the effective development and operation of risk management in the council.	No changes suggested
8 To monitor progress in addressing risk-related issues reported to the committee.	8. To monitor progress in addressing risk-related issues reported to the committee	No changes suggested
9 To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.	9. To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions	No changes suggested
10 To review the assessment of fraud risks and potential harm to the council from fraud and corruption.	10. To review the assessment of fraud risks and potential harm to the council from fraud and corruption	No changes suggested
11 To monitor the counter-fraud strategy, actions and resources.	11 To monitor the counter-fraud strategy, actions and resources.	No changes suggested
12 To review the governance and assurance arrangements for significant partnerships or collaborations.		Add new section to include reference to significant partnerships or collaborations <i>(already covered within meeting agendas to an extent so little/no extra work)</i>

	12. To maintain an overview of the Council's contract procedure rules and financial regulations and recommend changes to Cabinet or Council 26	<i>Not in the standard CIPFA ToR, but considered good practice, so retain</i>
	13. To review any issue referred to it by the Council, Cabinet, Scrutiny Committee, Director, Monitoring Officer or the Chief Executive.	<i>Not in the standard CIPFA ToR, but considered good practice, so retain</i>
	14 To consider the Council's compliance with its own and other applicable published standards and controls.	<i>Not in the standard CIPFA ToR, but considered good practice, so retain</i>
	15 To review and develop the Council's Treasury Management and Investment Strategy before recommendation to Council.	<i>CIPFA optional wider Audit Committee roles - retain</i>
	16 To monitor compliance and performance of the Council's Treasury Management and Investment Strategy on a regular basis.	<i>CIPFA optional wider Audit Committee roles - retain</i>
	17 To meet privately with the Audit Manager/ External Auditor where required	<i>Not in the standard CIPFA ToR, but part of good practice guidance, so retain</i>
Internal audit		
13 To approve the internal audit charter.	18 To approve the internal audit charter.	No changes suggested
14 To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.	19 To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.	No changes suggested
15 To approve the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.	20 To approve the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.	No changes suggested
16. To approve significant interim changes to the risk-based internal audit plan and resource requirements.	21 To approve significant interim changes to the risk-based internal audit plan and resource requirements.	No changes suggested
17 To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.	22 To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations	No changes suggested

18 To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the head of internal audit. To approve and periodically review safeguards to limit such impairments.		Add new section to include reference to impairments to independence or objectivity
19 To consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:	23 To consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:	No changes suggested
a) updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work	a) Updates on the work of internal audit including key findings, issues of concern and actions / recommendations in hand as a result of internal audit work	No changes suggested
b) regular reports on the results of the QAIP	b) Regular reports on the results of the Quality Assurance and Improvement Programme.	No changes suggested
c) reports on instances where the internal audit function does not conform to the PSIAS and LGAN, considering whether the non-conformance is significant enough that it must be included in the AGS.	c) Reports on instances where the internal audit function does not conform to the Public Sector Internal Audit Standards and Local Government Application Note, considering whether the non-conformance is significant enough that it must be included in the Annual Governance Statement.	No changes suggested
20 To consider the head of internal audit's annual report:	24. To consider the head of internal audit's annual report:	No changes suggested
a) The statement of the level of conformance with the PSIAS and LGAN and the results of the QAIP that support the statement – these will indicate the reliability of the conclusions of internal audit.	a) The statement of the level of conformance with the Public Sector Internal Audit Standards and Local Government Application Note and the results of the Quality Assurance and Improvement Programme that supports the statement – these will indicate the reliability of the conclusions of internal audit.	No changes suggested
b) The opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the committee in reviewing the AGS.	b) The opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the committee in reviewing the AGS.	No changes suggested

21 To consider summaries of specific internal audit reports as requested.	25 To consider summaries of specific internal audit reports as requested.	No changes suggested
22 To receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.	26 To receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.	No changes suggested
23 To contribute to the QAIP and in particular, to the external quality assessment of internal audit that takes place at least once every five years.	27 To contribute to the Quality Assurance and Improvement Programme and in particular, to the external quality assessment of internal audit that takes place at least once every five years.	No changes suggested
24 To consider a report on the effectiveness of internal audit to support the AGS, where required to do so by the Accounts and Audit Regulations (see Appendix A).	28 To consider a report on the effectiveness of internal audit to support the Annual Governance Statement, where required to do so by the Accounts and Audit Regulations.	No changes suggested
25 To provide free and unfettered access to the audit committee chair for the head of internal audit, including the opportunity for a private meeting with the committee.		Amend to include access to the audit committee chair
	29 To support the development of effective communication with the head of internal audit.	<i>Not in the standard CIPFA ToR, but considered good practice, so retain</i>
External audit		
26 To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by PSAA or the authority's auditor panel as appropriate.		Amend to include supporting the independence of external audit
27 To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.	30 To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance	No changes suggested
28 To consider specific reports as agreed with the external auditor.	31 To consider specific reports as agreed with the external auditor	No changes suggested

29 To comment on the scope and depth of external audit work and to ensure it gives value for money.	32 To comment on the scope and depth of external audit work and to ensure it gives value for money and to advise/liaise as required over the appointment of the Council's external auditor.	No changes suggested
30 To commission work from internal and external audit.	33 To commission work from internal and external audit, having taken into account the cost and proportionality of so doing and the budget for such work.	No changes suggested
31 To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.	34 To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies	No changes suggested
Financial reporting		
32 To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.	35 To review and approve the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.	No changes suggested
33 To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.	36 To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.	No changes suggested
Accountability arrangements		
34 To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions.	37 To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks; financial reporting arrangements, and internal and external audit functions.	No changes suggested
35 To report to full council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.	38 To report to full council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.	No changes suggested
36 To publish an annual report on the work of the committee.		Amend to include the publication of an annual report

Governance		
	39 To advise on appropriate strategies and action to ensure the Council promotes and maintains high standards of conduct.	<i>Not in the standard CIPFA ToR, but considered good practice, so retain</i>
	40 To recommend to the Council the appointment of one or more Independent Persons and to determine the remuneration of an Independent Person.	<i>Not in the standard CIPFA ToR, but considered good practice, so retain</i>
	41 To monitor the operation of the Council's Code of Conduct and to annually review the effectiveness of standards procedures and policies and make proposals for updating these as appropriate.	<i>Not in the standard CIPFA ToR, but considered good practice, so retain</i>
	42 To advise on or arrange for the training of Members and or co-opted members of the Council on matters relating to the Code of Conduct.	<i>Not in the standard CIPFA ToR, but considered good practice, so retain</i>
	43 To conduct any hearings relevant to the discharge of the committee's functions, and in relation to any such hearings, to establish one or more sub-committees consisting of Members of the Audit and Governance Committee.	<i>Not in the standard CIPFA ToR, but considered good practice, so retain</i>
	44 To receive reports on allegations of breach of the Members' Code of Conduct, including matters determined by the Chief Executive or Monitoring Officer.	<i>Not in the standard CIPFA ToR, but considered good practice, so retain</i>
	45 To receive reports on Member dispensations granted by the Monitoring Officer.	<i>Not in the standard CIPFA ToR, but considered good practice, so retain</i>
Membership		
	46 The Committee shall have political balance and have a Membership of 9 Councillors and 1 Non Elected representative (non-Councillor). Members of the committee should demonstrate they hold the necessary skills and knowledge to ensure the Committee can govern effectively.	<i>Not in the standard CIPFA ToR, but considered good practice, so retain</i>

	<p>47 The Chairman and Vice-Chairman shall be appointed by the Council. The Chairman shall be a member of the Council serving on the Audit and Governance Committee but not a member of the Cabinet.</p>	<p><i>Not in the standard CIPFA ToR, but considered good practice, so retain</i></p>
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