

From: Ben Watts, General Counsel

To: Selection and Member Services Committee, 14 March 2024

Subject: **Governance and Audit Committee Terms of Reference: Update**

Previous Pathway: Governance and Audit Committee, 1 February 2024

Future Pathway: County Council: 28 March 2024.

Status: Unrestricted

1. Overview

- a. Building on the recommendations of a review of the Governance and Audit Committee (GAC) conducted by CIPFA in 2022¹, the terms of reference for that Committee were substantively amended and then agreed by County Council on 25 May 2023².
- b. It is established best practice to review the GAC's terms of reference on at least an annual basis given the importance of its role in the governance framework of the Council. This paper sets out the results of the most recent review.
- c. The Governance and Audit Committee reviewed the proposed changes on 1 February and agreed to ask this Committee to review the proposals and recommend them to County Council.

2. Proposed Changes

- a. In late 2023, the GAC terms of reference were reviewed. The outcome was that there needed to be additional formal requirements around the membership of the Committee.
- b. It has been established practice that Executive Members do not serve of the Governance and Audit Committee. It is being proposed that the terms of reference be amended to formalise this practice. As part of its role in monitoring the internal control frameworks of the Council, including audit, the GAC may undertake deep dives into past decisions. It is therefore being recommended that former Executive Members may not serve until two years have elapsed.
- c. It is important to ensure that the work of the GAC is kept distinct from that of other parts of the Council and has a clear focus on its own agenda. It is therefore being recommended that the restriction on serving on the Committee be extended to include Deputy Cabinet Members and the Chairs of other formal Committees.

¹ Item 46, <https://democracy.kent.gov.uk:9071/ieListDocuments.aspx?CId=144&MId=8955&Ver=4>

² Item 147, <https://democracy.kent.gov.uk/ieListDocuments.aspx?CId=113&MId=9029&Ver=4>

- d. There is currently a requirement for ordinary and substitute members of the GAC to have had training in the relevant procedures. This GAC agreed a framework for the training element on 6 July 2023³. This requirement remains.
- e. The proposed changes are set out as track changes to the current terms of reference in the Appendix.

3. Recommendation

The Selection and Member Services Committee is asked to recommend the proposed changes to the Governance and Audit Committee's terms of reference to County Council for agreement and for the Constitution to be updated accordingly.

4. Appendix

Proposed Changes to the Terms of Reference of the Governance and Audit Committee.

5. Background Documents

None.

6. Report Author and Relevant Director

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³ <https://democracy.kent.gov.uk/ieListDocuments.aspx?CId=144&MId=9128&Ver=4>