

Public
Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Terms of Reference Review, Corporate Governance Committee

Meeting/Date: Corporate Governance Committee, 18th April 2024
Council, 22nd May 2024

Executive Portfolio: Executive Councillor for Customer Services – Councillor S Ferguson

Report by: Director of Finance & Corporate Resources

Ward(s) affected: All

Executive Summary:

The Terms of Reference (ToR) for the Corporate Governance Committee should be regularly reviewed against CIPFA best practice standards and other examples of best practice from across the sector to ensure continuous improvement. A subgroup of the Committee has undertaken this review, its recommendations are noted in this paper.

The subgroup also considered the size of the Committee and whether this was effective. Its recommendations for changes to the makeup of the Committee are included in the report.

Recommendations:

The Corporate Governance Committee is

RECOMMENDED

- a) to endorse a variation to the Terms of Reference of the Corporate Governance Committee;
- b) to endorse the proposal to amend the Committee's membership as detailed in paragraph 2.1; and
- c) that the Terms of Reference of the Committee be reviewed on an annual basis to ensure they remain current.

The Council is

RECOMMENDED

to approve the necessary variations to the Council's Constitution to reflect the revised Terms of Reference of the Corporate Governance Committee and the amendments to the membership of the Committee.

1. PURPOSE OF THE REPORT

- 1.1 This report is to bring to Committee the findings of the subgroup review of the Terms of Reference (ToR) for the Corporate Governance Committee (CGC) and also the Committee membership.

2. WHY IS THIS REPORT NECESSARY/BACKGROUND

- 2.1 The Local Government Association (LGA) peer review of Internal Audit undertaken in March 2023 identified the Committee's ToR had not been regularly reviewed and may not reflect current legislation and Chartered body recommendations. It recommended the ToR be reviewed and changes updated to the Constitution. An ongoing annual review of the ToR was also recommended to ensure they remain current.

The subgroup considered the existing ToR for CGC against the model ToR recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) for audit committees. The model ToR cover all the current legislation requirements and Chartered body recommendations which link to governance; however, it does not cover additional responsibilities which CGC holds for the Council in relation to Constitutional, Conduct and Regulatory Arrangements.

The subgroup recommends the model CIPFA ToR are adopted, with an additional section added to incorporate those duties relating to Constitutional, Conduct and Regulatory Arrangements. The revised ToR are attached to this document as Appendix A.

It was also noted that membership of CGC is twelve members plus two independent members. This is a larger Committee than is ideal and the subgroup has made the following recommendations for future membership:

1. That the Committee membership be reduced to seven members and up to two non-voting Independent Members,
2. Membership will not include Portfolio Holders/Executive Members, and
3. Group leaders are encouraged not to nominate themselves as committee members, but it was noted this may not always be achievable due to party numbers.

3. KEY IMPACTS / RISKS

- 3.1 If the Committee does not review and update its ToR, it will not be able to demonstrate it is effectively fulfilling its statutory duties, which could lead to challenge of decisions, nor will it be able to demonstrate it has effective governance in place.

4. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND/OR CORPORATE OBJECTIVES

- 4.1 The review of the ToR links into objective three of the Corporate Plan, *"Delivering good quality, high value for money services with good control and compliance with statutory obligations"*.

5. LEGAL IMPLICATIONS

- 5.1 If the Committee does not update its ToR to reflect current legislation requirements and Chartered body recommendations, the Council will not be fulfilling its statutory duties.

6. OTHER IMPLICATIONS

- 6.1 Any amendments to the Committee's ToR or committee size will need to be updated in the Constitution.

7. REASONS FOR THE RECOMMENDED DECISIONS

- 7.1 The proposed decisions are necessary to ensure the Committee has ToR which reflect the current legislation and Chartered body recommendations, which in turn enable effective governance. The proposal to reduce committee size is to ensure the ongoing effectiveness of the committee.

8. LIST OF APPENDICES INCLUDED

Appendix 1 – Revised Terms of Reference, Corporate Governance Committee

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