

### Comparison of existing Terms of Reference against the CIPFA Model Terms of Reference

Ref	Existing Terms of Reference – Cheshire East Council's Audit and Governance Committee	CIPFA Practical Guidance for Audit Committee's Model Terms of Reference	Implication and Recommendation
<b>Statement of Purpose</b>			
1.	The Audit Committee is a key component of the Council's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.	Our audit committee is a key component of [name of authority]'s corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.	The existing terms of reference are compliant with the model terms of reference.
2.	It provides an independent assurance to the Council of the adequacy of the risk management framework and the internal control environment.	<p>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.</p> <p>It provides independent review of [name of authority]'s governance, risk management and control frameworks and oversees the financial reporting and annual governance processes.</p> <p>It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.</p>	The existing terms of reference are compliant with the model terms of reference.
3.	It provides independent review of the Council's governance, risk management and control frameworks		The existing terms of reference are compliant with the model terms of reference. (See Model Guidance Point 2)

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	and oversees the financial reporting and annual governance processes.		
4.	It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.		The existing terms of reference are compliant with the model terms of reference. (See Model Guidance Point 2)
5.	It promotes high standards of ethical behaviour by developing, maintaining and monitoring Codes of Conduct for Members of the Council (including co-opted Members and other persons acting in a similar capacity).		<p>Whilst the specific element is not included in the CIPFA Model Terms of Reference, it reflects the Council's use of the Audit and Governance Committee to promote Ethics and Standards related issues.</p> <p>This is consistent with CIPFA's guidance on the wider functions of an audit committee, in relation to Ethics and Standards. CIPFA's guidance is clear that where the audit committee takes on the role of the Standards committee, there should be a clear distinction between that activity, and consideration of the effectiveness of standards arrangements.</p> <p>This is currently achieved through the use of the Audit and Governance Hearing- Sub Committee.</p> <p><b>Recommendation:</b> The Committee should continue to include this element in its Terms of Reference.</p>

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<b><i>Governance, risk and control</i></b>			
6.	To review the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.	To review the council's corporate governance arrangements against the good governance framework, including the ethical framework and consider the local code of governance.	The existing terms of reference are compliant with the model terms of reference.
7.	To review and approve the Annual Governance Statement 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.	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.	The existing terms of reference are compliant with the model terms of reference.
8.	To consider the Council's arrangements to secure value for money and to review and scrutinise assurances and assessments on the effectiveness of these arrangements.	To consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.	The existing terms of reference are compliant with the model terms of reference.
9.	To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.	To consider the council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.	The existing terms of reference are compliant with the model terms of reference.
10.	To monitor the effective development and operation of risk management in the council.	To monitor the effective development and operation of risk management in the council.	The existing terms of reference are compliant with the model terms of reference.
11.	To monitor progress in addressing risk related issues reported to the	To monitor progress in addressing risk-related issues reported to the	The existing terms of reference are compliant with the model terms of reference.

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	committee.	committee.	
12.	To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions, including calling managers to explain lack of progress.	To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.	The existing terms of reference are compliant with the model terms of reference.
13.	To review the assessment of fraud risks and potential harm to the Council from fraud and corruption.	To review the assessment of fraud risks and potential harm to the council from fraud and corruption.	The existing terms of reference are compliant with the model terms of reference.
14.	To make recommendations to the Executive on the Council's arrangements for deterring, preventing, detecting and investigating fraud.		Local authorities have responsibility for the effective stewardship of public money and safeguarding against losses due to fraud and corruption.
15.	To monitor the counter fraud strategy, actions and resources.	To monitor the counter-fraud strategy, actions and resources.	<p>CIPFA's guidance is clear that the audit committee should have oversight of the authority's counter fraud strategy, assessing whether it meets recommended practice, governance standards, and complies with legislation.</p> <p>However, these two elements of the Terms of Reference, as currently worded, are very similar.</p> <p><b>Recommendation:</b> The Committee should adopt the model guidance wording to avoid duplication in the Committee's responsibilities.</p>

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16.		To review the governance and assurance arrangements for significant partnerships or collaborations.	<p>This is a new inclusion in the Model Terms of Reference under core functions of an audit committee.</p> <p>Authorities increasingly work in partnership and collaborations with other organisations, and may also act as the Accountable Body for such arrangements. For example, this Council is the accountable body for the Cheshire and Warrington Local Enterprise Partnership amongst other arrangements.</p> <p>Ensuring the adequacy of governance and risk management arrangements can be challenging, but the accountability for the performance and stewardship of public funds remains with the accountable authority, hence the role of audit committee in relation to such arrangements should be clearly defined.</p> <p>The Committees primary role should be to consider available assurances on whether the partnership/collaboration arrangements are satisfactorily established and operating effectively, and that the principles of good governance underpin the partnership arrangements.</p>

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			<b>Recommendation:</b> The Committee should include this new additional element into their Terms of Reference in recognition of its particular relevance to Cheshire East Council.
17.	To advise the Executive on responses to audit management letters, reports and investigations and reviewing whether agreed external audit or inspection recommendations have been implemented as timetabled.		<p>At the request of the Committee, this area was included in a previous review of the Terms of Reference. It is not included in the model Terms of Reference published by CIPFA.</p> <p>This element of the existing Terms of Reference duplicates another existing element (43); “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”</p> <p><b>Recommendation:</b> The Committee should remove this element to avoid duplication within the Committee’s Terms of Reference.</p>
18.	To review and monitor the Council’s treasury management arrangements in accordance with the CIPFA Treasury Management Code of Practice.		<p>At the request of the Committee, this area was included in a previous review of the Terms of Reference. It is not included in the model Terms of Reference published by</p>

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			<p>CIPFA.</p> <p>Whilst the specific element is not included in the CIPFA Model Terms of Reference, the responsibility is consistent with CIPFA’s guidance on the wider functions of an audit committee.</p> <p>All local authorities are required to make arrangements for the scrutiny of treasury management under CIPFA’s “Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes” (2017).</p> <p>Under this guidance, the audit committee is not required to undertake that role, but where the audit committee is nominated to carry out the scrutiny, it should undertake the scrutiny role in accordance with the Code, and in addition to any oversight of governance, risk and control matters associated with treasury management.</p> <p><b>Recommendation:</b> The Committee should continue to include this element in its Terms of Reference.</p>

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<b>Internal audit</b>			
19.	To approve the internal audit charter.	To approve the internal audit charter.	The existing terms of reference are compliant with the model terms of reference.
20.	To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.	To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.	The existing terms of reference are compliant with the model terms of reference.
21.	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.	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.	The existing terms of reference are compliant with the model terms of reference.
22.	To approve significant interim changes to the risk-based internal audit plan and resource requirements.	To approve significant interim changes to the risk-based internal audit plan and resource requirements.	The existing terms of reference are compliant with the model terms of reference.
23.	To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.	To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.	The existing terms of reference are compliant with the model terms of reference.
24.		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.	<p>This is a new inclusion in the Model Terms of Reference.</p> <p>The audit committee has a clear role in relation to oversight of an authority's internal audit function. From April 2013, internal auditors throughout local government and</p>



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			<p>other public sector bodies have had to follow the Public Sector Internal Audit Standards and associated Local Government Application Note.</p> <p>Under these Standards, the Audit Committee's Terms of Reference should reflect the functional reporting of internal audit to the audit committee within the Internal Audit Charter.</p> <p>The key role of the audit committee here is to oversee its independence, objectivity, performance and professionalism</p> <p>Increasingly, the Head of Internal Audit (Chief Audit Executive) role may also have responsibilities for areas such as Risk Management, Business Continuity and Insurance.</p> <p>The Public Sector Internal Audit Standards (1112 Chief Audit Executive Roles Beyond Internal Auditing) require that where the chief audit executive has additional roles and responsibilities outside of internal auditing, safeguards are used to address the potential impairments to independence. These include the use of the audit committee for oversight</p>

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			<p>of the safeguards, including reviewing reporting lines and responsibilities, and the provision of alternative assurances in relation to the areas of additional responsibility.</p> <p>Whilst there are currently no additional responsibilities undertaken outside of internal audit, the inclusion of this element in the Committee's Terms of Reference will future proof arrangements, should the role of the Head of Internal Audit change in future.</p> <p><b>Recommendation:</b> The Committee should include this new additional element into their Terms of Reference.</p>
25.	<p>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:</p> <p>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.</p> <p>b) Regular reports on the results of the</p>	<p>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:</p> <p>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</p> <p>b) regular reports on the results of the</p>	<p>The existing terms of reference are compliant with the model terms of reference.</p>

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	<p>Quality Assurance and Improvement Programme.</p> <p>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.</p>	<p>Quality Assurance and Improvement Programme</p> <p>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.</p>	
26.	<p>To consider the head of internal audit's annual report:</p> <p>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.</p> <p>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</p>	<p>To consider the head of internal audit's annual report:</p> <p>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 support the statement – these will indicate the reliability of the conclusions of internal audit.</p> <p>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</p>	<p>The existing terms of reference are compliant with the model terms of reference.</p>

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	the opinion – these will assist the committee in reviewing the Annual Governance Statement.	the opinion – these will assist the committee in reviewing the Annual Governance Statement..	
27.	To consider summaries of specific internal audit reports as requested.	To consider summaries of specific internal audit reports as requested.	The existing terms of reference are compliant with the model terms of reference.
28.	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.	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.	The existing terms of reference are compliant with the model terms of reference.
29.	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.	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.	The existing terms of reference are compliant with the model terms of reference.
30.	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.	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	The existing terms of reference are compliant with the model terms of reference.
31.	To support the development of effective communication with the head of internal audit.		At the request of the Committee, the element at (31) was included in a previous review of the Terms of Reference.
32.		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 Model Terms of Reference now include a similar element at (32).

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		the committee.	<p>Under the Public Sector Internal Audit Standards (1110 Organisational Independence), the Chief Audit Executive must establish effective communication with, and have free and unfettered access to the chief executive and chair of the audit committee.</p> <p>The Standards also require the chief audit executive to communicate and interact directly with the board (Committee).</p> <p><b>Recommendation:</b> The Committee should adopt the model guidance wording to avoid duplication in the Committee's responsibilities.</p>
33.	To review and make recommendations to the Executive regarding the effectiveness of internal audit to include ensuring the internal audit function is adequately resourced, to review its strategy, receive, challenge and approve its annual plan and monitor its delivery and to review significant audit findings and monitor progress by managers in implementing agreed recommendations.		<p>At the request of the Committee, the following (33) was included in a previous review of the Terms of Reference. It is not included in the model Terms of Reference published by CIPFA.</p> <p>This element of the Terms of Reference appears to combine details from elements in the existing and model Terms of Reference; specifically; 21, 22, 23, 25, and 28.</p> <p>Whilst the specific element is not included in the CIPFA Model Terms of Reference it</p>

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			<p>appears to be a summary of existing content in both the existing and model terms of reference, rather than a separate requirement.</p> <p><b>Recommendation:</b> The Committee should remove this element to avoid duplication within the Committee’s Terms of Reference</p>
<b>External Audit</b>			
34.		<p>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.</p>	<p>This is a new inclusion in the Model Terms of Reference.</p> <p>The role of Audit Committees in relation to external audit in England needs to have regard to the arrangements introduced under the Local Audit and Accountability Act 2014.</p> <p>Authorities had the option to appoint external auditors themselves via an auditor panel, or to appoint via Public Sector Audit Appointments, established by the Local Government Act, and specified as an “appointing person” under the 2014 Act.</p> <p>This Council opted into the PSAA route.</p> <p>The committee’s role in appointment is to express an opinion on the selection process</p>

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			<p>for the external auditor, and to support auditor independence, effective arrangements and effective relationships with the auditors.</p> <p><b>Recommendation:</b> The Committee should adopt this additional element into their Terms of Reference to recognise their role in relation to external audit.</p>
35.	To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.	To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.	The existing terms of reference are compliant with the model terms of reference.
36.	To consider specific reports as agreed with the external auditor.	To consider specific reports as agreed with the external auditor.	The existing terms of reference are compliant with the model terms of reference.
37.	To comment on the scope and depth of external audit work and to ensure it gives value for money.	To comment on the scope and depth of external audit work and to ensure it gives value for money.	The existing terms of reference are compliant with the model terms of reference.
38.	To commission work from internal and external audit.	To commission work from internal and external audit.	The existing terms of reference are compliant with the model terms of reference.
39.	To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.	To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.	The existing terms of reference are compliant with the model terms of reference.
<b>Financial Reporting</b>			
40.	To review and approve the annual statement of accounts. Specifically, to	To review the annual statement of accounts. Specifically, to consider	The existing terms of reference are compliant with the model terms of reference.

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	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.	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.	
41.	To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.	To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.	The existing terms of reference are compliant with the model terms of reference.
42.	To receive retrospectively for information all notices of waiver which are used when consent is sought to depart from the requirements of the Council's Contract Procedure Rules, and all notices which are used to record any non-adherence to those Rules.		<p>At the request of the Committee, (42) was included in a previous review of the Terms of Reference to address particular concerns. It is not included in the model Terms of Reference published by CIPFA.</p> <p>The detail is consistent with the core function of the Committee described by CIPFA in monitoring the effectiveness of the control environment, including arrangements for ensuring value for money, supporting standards and ethics and for managing the authority's exposure to the risks of fraud and corruption.</p> <p>However, roles and responsibilities covered elsewhere in the Committee's existing terms of reference (for example, ref 8,9,11 and 12), would provide for the Committee receiving</p>



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			<p>reports of this kind if required.</p> <p><b>Recommendation:</b> The Committee should consider the removal of this additional element in their Terms of Reference to avoid duplication within their Terms of Reference.</p> <p>The Committee will also need to consider the continuing need to receive the particular assurances provided by this report as part of the ongoing work plan item.</p>
<b>Accountability Arrangements</b>			
43.	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.	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.	The existing terms of reference are compliant with the model terms of reference.
44.	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.	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.	The existing terms of reference are compliant with the model terms of reference.
45.		To publish an annual report on the work of the committee.	This is a new inclusion in the Model Terms of Reference.

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			<p>CIPFA’s Position Statement and Guidance is clear that the audit committee should be held to account on a regular basis by the group to which it is accountable; in this case full Council.</p> <p>The preparation of an annual report by the Committee can be a helpful way to address the key areas where the Committee should be held to account.</p> <p>The existing terms of reference already include the requirement to report to full council on the committee’s performance; the adoption of this element of the model Terms of Reference confirms the work of the committee will be reported upon annually.</p> <p><b>Recommendation:</b> The Committee should adopt this additional element into their Terms of Reference to provide confirmation that they will report annually on the work of the Committee.</p>
<b><i>Related functions</i></b>			
46.	To approve and monitor Council policies relating to “whistleblowing” and anti-fraud and corruption.		At the request of the Committee, the following (46) was included in a previous review of the Terms of Reference. It is not included in the model Terms of Reference

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			<p>published by CIPFA. However, the responsibility is consistent with CIPFA's guidance on the core functions of an audit committee.</p> <p>Whistleblowing arrangements support the development of ethical conducted and greater transparency, and ensure compliance with the Public Interest Disclosure Act 1998.</p> <p>As part of the audit committee's oversight of the governance framework, and the assurances underpinning the Annual Governance Statement, CIPFA recognise that the committee may wish to review the effectiveness of the Council's whistleblowing arrangements.</p> <p>However, the Committee already has similar elements in it's Terms of Reference (See 13 and 14)</p> <p><b>Recommendation:</b> The Committee should continue to include this responsibility within its remit, but should remove this specific element to minimise duplication within its Terms of Reference.</p>
47.	To seek assurance that customer		Whilst the specific element is not included in

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	complaint arrangements are robust.		<p>the CIPFA Model Terms of Reference, it has previously been added to the Committee’s terms of reference to address particular concerns.</p> <p>The inclusion of this element supports the Committee’s role described in the CIPFA guidance as “promoting measures to improve transparency and accountability and effective public reporting to the authority’s stakeholders and the local community.”</p> <p>Reports received on this matter also provide useful sources of assurance for the Committee in considering and approving the Annual Governance Statement.</p> <p>However, roles and responsibilities covered elsewhere in the Committee’s existing terms of reference (for example, ref 6, 7, and 9) would provide for the Committee receiving reports of this kind if required.</p> <p><b>Recommendation:</b> The Committee should consider the removal of this additional element in their Terms of Reference to avoid duplication within their Terms of Reference.</p>

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			The Committee will also need to consider the continuing need to receive the particular assurances provided by this report as part of the ongoing work plan item.
48.	<p>Subject to the requirements set out below, to consider all findings of the Local Government Ombudsman, including reports resulting in a finding of maladministration against the Council, and to make recommendations as to actions that may be necessary in connection with the Ombudsman's findings.</p> <p>(a) There are statutory obligations which will, in some circumstances, require reports to be taken to Cabinet or full Council.</p> <p>(b) The Ombudsman operates protocols in relation to the timing of the publication of findings. The Council would have to give consideration to those protocols when determining how to manage the Audit and Governance Committee's agenda.</p>		<p>Whilst the specific element is not included in the CIPFA Model Terms of Reference, it has previously been added to the Committee's terms of reference to address particular concerns.</p> <p>Again, the inclusion of this element supports the Committee's role described in the CIPFA guidance as "promoting measures to improve transparency and accountability and effective public reporting to the authority's stakeholders and the local community."</p> <p>Reviewing the findings and management of recommendations from the Local Government Ombudsman is consistent with CIPFA's guidance on the role of the audit committee considering the reports of external inspection agencies and their implications for governance, risk management and control.</p> <p>However, roles and responsibilities covered elsewhere in the Committee's existing terms of reference (for example, ref 6, 7, and 9) would provide for the Committee receiving</p>

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			<p>reports of this kind if required.</p> <p><b>Recommendation:</b> The Committee should consider the removal of this additional element in their Terms of Reference to avoid duplication within their Terms of Reference.</p> <p>The Committee will also need to consider the continuing need to receive the particular assurances provided by this report as part of the ongoing work plan item.</p>
<b>Working Groups</b>			
49.	The Committee may establish standing and time-bound working groups (which may but need not be politically balanced) to consider any matters within the terms of reference of the Committee.		<p>Whilst the specific element is not included in the CIPFA Model Terms of Reference, it has previously been added to the Committee's terms of reference to address particular concerns.</p> <p><b>Recommendation:</b> The Committee should consider whether there is any requirement to review or change this element of the Committee's Terms of Reference.</p>
<b>Standards Arrangements</b>			
50.	The Committee is responsible for the Council's standards arrangements which seek to:		Whilst these elements are not included in the CIPFA Model Terms of Reference, they describe the Council's arrangements for Standards issues as part of the Audit and

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	<p>1. promote high standards of ethical behaviour by developing, maintaining and monitoring Codes of Conduct for Members of the Council (including co-opted Members and other persons acting in a similar capacity);</p> <p>2. ensure that Members receive advice and as appropriate on the Members Code of Conduct; and</p> <p>3. grant dispensations under the provisions of the Localism Act 2011 to enable a member or co-opted Member to participate in a meeting of the Authority.</p>		<p>Governance Committee's role.</p> <p>These are consistent with CIPFA's guidance on the wider role and functions of an audit committee. CIPFA advises that the audit committee's primary role in relation to standards and ethical conduct is to satisfy itself that there are appropriate arrangements in place. Under the Localism Act 2011, English local authorities have a statutory duty to promote and maintain high standards of conduct and the audit committee should consider assurances on the discharge of this responsibility.</p> <p>This aspect is covered elsewhere in the Committee's current terms of reference and only requires change if the Committee wish to recommend an alternative approach to Standards issues.</p> <p><b>Recommendation:</b> The Committee should continue to include this element within its Terms of Reference.</p>
51.	Council on 22nd October 2015 approved a procedure to be followed when considering a complaint that an elected member of the Council or of a town or parish council within its area has failed to comply with the Council's Code of Conduct. The full procedure is available from the Monitoring Officer.		
52.	The Hearing Sub-committee is a Sub-Committee of the Council's Audit and Governance Committee appointed to consider complaints under the procedure referred to in paragraph 43.		

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	It has 3 members drawn from a cross party panel of 15 members of the Council. An Independent Person is invited to attend all meetings of the Hearing Sub-committee and his/her views are sought and taken into consideration before the Hearing Sub-committee takes any decision on whether the member's conduct constitutes a failure to comply with the Code of Conduct and as to any action to be taken following a finding of failure to comply with the Code of Conduct.		
53.	The Independent Person is a person who has applied for the post following advertisement. He/she is appointed by Council.		