

COMMITTEE	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
DATE	<b>22 MAY 2025</b>
TITLE	<b>TERMS OF REFERENCE OF THE GOVERNANCE AND AUDIT COMMITTEE</b>
PURPOSE OF THE REPORT	<b>TO CONSIDER THE UPDATED TERMS OF REFERENCE OF THE GOVERNANCE AND AUDIT COMMITTEE FOR APPROVAL</b>
AUTHOR	<b>LUNED FÔN JONES – AUDIT MANAGER</b>
ACTION	<b>TO APPROVE THE TERMS OF REFERENCE</b>

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## **1. INTRODUCTION AND BACKGROUND**

1.1 This report outlines a revised Terms of Reference for the Governance and Audit Committee to ensure that the Committee is operating in line with the CIPFA’s Position Statement: Audit Committees in Local Authorities and Police 2022 and to ensure conformance with the Global Internal Audit Standards.

## **2. CIPFA’S POSITION STATEMENT**

2.1 The statement sets out the purpose, model, core functions and membership of the audit committee and supplements the requirements of the Local Government and Elections (Wales) Act 2021.

2.2 CIPFA expects that all local government bodies should make their best efforts to adopt the principles, aiming for effective audit committee arrangements.

2.3 In the self-assessment of good practice workshop, the action plan included a requirement to update the Governance and Audit Committee’s Terms of Reference.

## **3. GLOBAL INTERNAL AUDIT STANDARDS. APPLICATION NOTE AND THE CODE**

3.1 New standards, Global Internal Audit Standards (UK public sector), are mandated from 1 April 2025 consisting of the [Global Internal Audit Standards](#) (GIAS) of the IIA<sup>1</sup> and the [Application Note: Global Internal Audit Standards in the UK public sector](#)

3.2 When the IIA published GIAS, it recognised that in the public sector, governance structures or other laws or regulations may impact on how the essential conditions of the Standards can be applied. Local government audit committees are non-executive advisory bodies with limited decision-making powers.

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<sup>1</sup> Institute of Internal Auditors

3.3 CIPFA has produced [Code of Practice for the Governance of Internal Audit in UK Local Government](#) (the Code). The Code provides the route to satisfying the essential conditions in GIAS in the UK public sector, tailored for UK local government. The Application Note GIAS in the UK public sector directs the local government sector bodies to apply this Code.

3.4 This Code meets the objectives of the essential conditions, by providing for the necessary governance of internal audit, but in a way that is appropriate for UK local government bodies. It includes roles and responsibilities of the audit committee, senior management and those charged with governance towards internal audit.

#### **4. RECOMMENDATION**

4.1 The Committee is asked to consider and approve the revised terms of reference.