

## **TERMS OF REFERENCE [showing required amendments as track changes]**

### **The Governance and Audit Sub-Committee**

The North Wales CJC is required to establish a sub-committee to be known as the Governance and Audit Sub-Committee in accordance with paragraph 16(1) CJC Establishment Regulations 2021.

*(It is noted that in local government legislation this is referred to as a 'governance and audit committee', however as the North Wales CJC is itself a committee it is appropriate to refer to it as a sub-committee in relation to CJs.)*

#### **Functions**

The sub-committee is responsible for fulfilling the following statutory functions under Section 81 of the Local Government Measure (Wales) 2011 as amended. The terms of reference of the sub-committee are set out in the CJC Establishment Regulations which state that the governance and audit sub-committee must:

- a) review and scrutinise the CJC's financial affairs,
- b) make reports and recommendations in relation to the CJC's financial affairs.
- c) review and assess the CJC's risk management, internal control, performance management and corporate governance arrangements,
- d) make reports and recommendations to the CJC regarding the adequacy and effectiveness of those arrangements,
- da) review and assess the CJC's ability to handle complaints effectively,
- db) make reports and recommendations in relation to the CJC's ability to handle complaints effectively,".
- e) oversee the CJC's internal and external audit arrangements
- f) review any financial statements prepared by the CJC.
- g) exercise such other functions as the CJC may specify

The sub-committee will undertake further functions under Chapter 1 of Part 6 of the Local Government and Elections (Wales) Act 2021 (performance and governance of principal councils).

The committee will also be responsible for fulfilling the following functions:-

- (i) to promote internal audit, establishing a timetable to conduct review control, develop an anti-fraud culture and review financial operations;
- (ii) to consider observations and concerns on individual services at a county level, on the basis of reports by CJC officers or the Auditor General for Wales and monitor the response and actions on the recommendations and findings.

## **Membership**

Members of a CJC Governance and Audit Sub-Committee cannot be a member of the CJC, a member of the executive of a constituent council or a co-opted member (co-opted member in this case means a person co-opted on to the CJC, or to participate in activities of the CJC, other than the Governance and Audit Sub-Committee).

Membership of the Governance and Audit Sub-Committee must be at least one third lay member and at least two thirds membership from the constituent councils. The appointment(s) will be made by the North Wales CJC.

The Chair of the Governance and Audit Sub-Committee must be a lay member. The Governance and Audit Sub-Committee should be established by the CJC comprising of lay members to be drawn from constituent councils' governance and audit committees (or externally advertised if this is not possible) and members from each constituent council. The Governance and Audit Sub-Committee may not exercise its functions if the membership contravenes these requirements.

## **Guidance of the Welsh Ministers**

The Governance and Audit Sub-Committee must have regard to any guidance given by the Welsh Ministers under Section 85(1) Local Government (Wales) Measure 2011.

## **Quorum**

The quorum for the governance and audit sub-committee shall be 7 members with at least one Lay Member in attendance.

-----

## **Standing Orders**

### 2.22 Governance and Audit Sub-Committee

2.22.1 The CJC must establish a sub-committee (known as the Governance and Audit Sub-Committee)

2.22.2 The Terms of Reference of the Governance and Audit Sub-Committee are set out in Part 4 of this Section 5 and those terms of reference may be amended by the CJC from time to time within statutory requirements.

2.22.3 The membership of the Governance and Audit Sub-Committee shall consist of 9 Members 6 of whom shall be elected members drawn from and nominated by the Governance and Audit Committees of each of the 6 Constituent Councils and 3 of whom shall be Lay Members.

### Meetings

2.23 The Governance and Audit Sub-Committee are required to meet once every calendar year as a minimum.