

Corporate Governance & Standards Committee Report

Ward(s) affected: All

Report of Strategic Services Director

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## Review of the Committee's Terms of Reference

### Executive Summary

The Committee will recall that, at its meeting on 24 March 2022, an internal audit report prepared by KPMG into the effectiveness of the Committee recommended, amongst other things, that the Council should consider amending the Committee's terms of reference to:

- (a) include at the beginning a high-level Statement of Purpose, or summary of the Committee's role in the Council's framework of governance; and
- (b) add an explicit section on how the Committee is accountable to the full Council;

It was suggested by KPMG that formal arrangements should be in place for the Committee to demonstrate accountability for the adequacy of its performance to the full Council and, bearing in mind that performance would be assessed against how well the Committee discharged its responsibilities as set out in its terms of reference, it was felt that the opportunity could be taken to review the terms of reference as a whole, including consideration of KPMG's recommendations referred to in (a) and (b) above.

To that end, the Committee agreed that the Corporate Governance Task Group should review the terms of reference and report back to the Committee.

The Task Group considered this matter at its meeting held on 7 April 2022. The proposed amendments to the Committee's terms of reference recommended by the Task Group are set out in **Appendix 1** (showing tracked changes). **Appendix 2** shows the amended terms of reference without the tracked changes.

As the Committee's terms of reference are also set out in Article 10 of the Constitution, it will also be necessary to incorporate those changes within Article 10. The amendments to Article 10 are shown (with tracked changes) in **Appendix 3**, and **Appendix 4** shows the amended Article 10 without the tracked changes.

**Recommendation to the Committee:**

That the Council be requested to approve the changes proposed to the terms of reference of the Corporate Governance & Standards Committee as set out in Appendix 1 to this report, and the changes proposed to Article 10 of the Constitution, as set out in Appendix 3 to this report.

**Reasons for Recommendation:**

- To ensure that the Committee's terms of reference are updated and remain relevant.
- To address KPMG's recommendations in their internal audit report on the effectiveness of the Committee in respect of its terms of reference.

**Is the report (or part of it) exempt from publication? No**

**1. Purpose of Report**

- 1.1 This report asks the Committee to consider the changes recommended by the Corporate Governance Task Group arising from the review of the Committee's terms of reference, taking into account the relevant recommendations contained in KPMG's recent internal audit review of the effectiveness of the Committee.

**2. Strategic Priorities**

- 2.1 Effective corporate governance and robust ethical standards underpins the Council's work in the delivery of the Council's Corporate Plan priorities.

**3. Background**

- 3.1 The Committee will recall that, at its 24 March 2022 meeting, and in the context of the Committee's consideration of the internal audit report reviewing the effectiveness of the Committee, KPMG made five recommendations, two of which related to the terms of reference of this Committee.

- 3.2 KPMG recommended that, for good practice, management should consider including in the terms of reference:

(a) a high-level summary of the Committee's role in the Council's framework of governance set out in the Constitution; and

(b) an explicit section on how the Committee is accountable to the full Council.

- 3.3 In terms of drafting (a) and (b) above, KPMG suggested that the Council considers the wording extracted from the CIPFA model terms of reference for audit committees, which can be viewed by clicking on the link under "Background Papers" below.

- 3.4 At the 24 March Committee meeting, it was also suggested that in view of KPMG's recommendations, it would be appropriate to review all of the Committee's terms of reference and agreed that the Corporate Governance Task Group would be the appropriate vehicle by which this review could be undertaken.
- 3.5 The Task Group considered this matter at its meeting held on 7 April 2022. During the discussions, the Task Group was invited to consider:
- (i) whether there were any gaps in coverage within the existing terms of reference;
  - (ii) whether another committee performed roles within their respective remits which might better lie with the Corporate Governance and Standards Committee, and
  - (iii) whether the Corporate Governance and Standards Committee performed roles currently within its remit which might better lie with another committee?
- 3.6 The Task Group noted that, since March 2021, the Committee had considered quarterly reports on Corporate Performance Monitoring as part of the Council's Performance monitoring framework, but that there was currently no reference to this in the existing terms of reference. The Task Group was informed that the general terms of reference of the Overview and Scrutiny Committee included:
- “to monitor and review the Council's performance against relevant national and local performance indicators and adopted plans and strategies”*
- 3.7 The Task Group therefore felt that it would be appropriate for future Corporate Performance Monitoring Reports to be submitted to Overview and Scrutiny Committee. This has been brought to the attention of the chairman of the Overview and Scrutiny Committee, who is happy for that Committee to take these reports in future.
- 3.8 The proposed amendments to the Committee's terms of reference recommended by the Task Group are set out in **Appendix 1** (showing tracked changes). **Appendix 2** shows the amended terms of reference as proposed by the Task Group but without the tracked changes.
- 3.9 As the Committee's terms of reference are also set out in Article 10 of the Constitution, it will also be necessary to incorporate those changes within Article 10. The amendments to Article 10 are shown (with tracked changes) in **Appendix 3**, and **Appendix 4** shows the amended Article 10 without the tracked changes.

#### **4. Equality and Diversity Implications**

- 4.1 The Council has a statutory duty under section 149 of the Equality Act 2010 which provides that a public authority must, in exercise of its functions, have due regard to the need to (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and (c) foster good relations between persons who

share a relevant protected characteristic and persons who do not share it. The relevant protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

- 4.2 There are no equality and diversity issues or implications arising from the proposals in this report

## **5. Financial Implications**

- 5.1 There are no financial implications arising from this report.

## **6. Legal Implications**

- 6.1 There are no legal implications arising from this report other than noting that, under the Council's Constitution, full Council must determine changes to the terms of reference of its committees.

## **7. Human Resource Implications**

- 7.1 There are no human resource implications arising from this report.

## **8. Summary of Options**

- 8.1 The Committee may wish to consider the following options:

- (1) Accept all of the proposed changes to the Committee's terms of reference recommended by the Corporate Governance Task Group and refer them to full Council for adoption.
- (2) Accept or amend some of the changes to the Committee's terms of reference recommended by the Corporate Governance Task Group and/or suggest further changes and refer them to full Council for adoption.

## **9. Background Papers**

[CIPFA Suggested Terms of Reference for Local Authority Audit Committees](#)

## **10. Appendices**

Appendix 1: Draft Revised Terms of Reference (with tracked changes)  
Appendix 2: Draft Revised Terms of Reference (without tracked changes)  
Appendix 3: Draft Revised Article 10 of the Constitution (with tracked changes)  
Appendix 4: Draft Revised Article 10 of the Constitution (without tracked changes)