



CORPORATE GOVERNANCE COMMITTEE – 26 JUNE 2026

JOINT REPORT OF THE ASSISTANT DIRECTOR OF LAW AND GOVERNANCE AND THE DIRECTOR OF CORPORATE RESOURCES

TERMS OF REFERENCE

Purpose of the Report

1. The purpose of this report is to seek the Committee's approval of the revised Terms of Reference for the Corporate Governance Committee.

Background

2. In accordance with the Local Government Act 1972 the County Council had previously delegated to the Corporate Governance Committee responsibility for non-executive functions relating to the promotion and maintenance of high standards and integrity within the Authority. This included governance, risk management, financial management, standards of conduct by members and co-opted members and the adequacy and effectiveness of the internal and external audit arrangements.
3. This delegation is included within the Council's Constitution (Part 3). On 4 December 2024 a revised delegation was agreed by Full Council that the Corporate Governance Committee's Terms of Reference will be agreed directly by the Committee.
4. At its meeting on 13 May 2026, the County Council approved a number of amendments to the Constitution, including the establishment of a new Constitution and Ethics Committee. As part of these changes, responsibility for the promotion and maintenance of high standards of conduct for members and co-opted members was transferred from the Corporate Governance Committee to that new Committee.
5. Consequential amendments were also made to the allocation of functions within Part 3 of the Constitution to remove reference to standards of conduct from the remit of the Corporate Governance Committee and to reflect the revised governance arrangements.
6. This has necessitated a review of the Corporate Governance Committee's Terms of Reference to reflect its amended responsibilities and the revised version for approval by this Committee is appended to this report.

Review of Terms of Reference

7. A review of the Committee's Terms of Reference has therefore been undertaken to give effect to these constitutional changes.

8. The principal changes proposed are:
- Removal of standards and conduct functions, reflecting their transfer to the new Constitution and Ethics Committee, which now has responsibility for oversight of the Members' Code of Conduct, associated protocols, complaints handling arrangements, and related training.
 - Clarification of the Committee's core role as the Council's audit and governance committee, with a continued focus on corporate governance, risk management, financial management, and the effectiveness of internal and external audit arrangements.
 - Inclusion of responsibility for approving the Annual Governance Statement, transferred from the former Constitution Committee in line with revised constitutional arrangements.
 - Structural reorganisation of the Terms of Reference, grouping functions under clear thematic headings (governance and risk, financial management, audit, etc.) to improve clarity and accessibility.
9. In addition, the revised Terms of Reference clarify the Committee's role in considering the Council's Statement of Accounts and those of the Pension Fund, aligning practice with that of audit committees in comparable authorities.
10. These changes ensure a clear separation of responsibilities between governance/audit functions and member conduct matters, thereby strengthening the Council's overall governance framework and aligning responsibilities with recognised good practice.
11. The review has also taken account of emerging Government proposals to strengthen local authority standards regimes, including the potential introduction of a requirement for standalone standards committees, which further supports the separation of governance/audit functions from member conduct responsibilities.

Recommendation

12. The Committee is asked to approve the revised Terms of Reference set out in the Appendix to this report.

Equality Implications

None.

Human Rights Implications

None.

Appendix

Revised Terms of Reference

Background Papers

Report to full Council – 13th May 2026 – Annual Review of the Constitution -
<https://democracy.leics.gov.uk/documents/s196047/Report%20of%20the%20Constitution%20Committee%20-%20Review%20and%20Revision%20of%20the%20Constitution.pdf>

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