

Item: 12

Title: Updated Committee Framework and Terms of Reference

Gweithredu / Action required	For approval
Amseru / Timing	Routine
Argymhelliad / Recommendation	The Board is asked to confirm the updated terms of reference for the Audit and Risk Assurance Committee and approve the establishment a new Workforce, Remuneration and Terms of Service Committee and the proposed terms of reference.
Risg / Risk	If Llais does not regularly review its committee framework and the terms of reference of its committees, it will risk operating without the most up to date position for its governance framework. This will risk Llais operating or making decisions that do not meet its required statutory requirements or the arrangements delegated by the Board.
Cyllid / Finance	There are no financial implications for this paper.
Amcan Cynllun Corfforaethol / Corporate Plan Objective/Amcan Rhaglen/ Programme objective	<p>This work relates particularly to objective 5 – which is to grow and improve as an organisation and be a trusted organisation that is valued by everyone.</p> <p>Good governance arrangements will be an important enabler for the successful operation and delivery of all aspects of the work of Llais and therefore, achieving all key objectives.</p>
Ecwiti, Amrywiaeth a Chynhwysiant / Equity, Diversity & Inclusion	There are no direct implications for the EDI approach of Llais.
Cyfathrebu / Communications	<p>Please tick one of the following boxes if this activity will have an impact on:</p> <p>Internal: our people <input checked="" type="checkbox"/></p> <p>External: our customers/partners/stakeholders <input checked="" type="checkbox"/></p> <p>External: our organisation’s reputation <input checked="" type="checkbox"/></p>

Meradwyaeth / Approval/Clearance	Alyson Thomas, Chief Executive
Trafodaethau/ Penderfyniadau Blaenorol / Previous discussions/decisions	<p>The draft terms of reference for the Audit and Risk Assurance Committee have been discussed and endorsed by the committee members at the meeting on the 19th June 2024. The Workforce, Remuneration and Terms of Service Committee terms of reference have been considered and endorsed by the Chief Executive and Chair of the Committee. All comments on both sets of terms of reference have been considered and responded to either by amending the terms of reference or through an update to the committee members involved.</p> <p>The Audit and Risk Assurance Committee and the current Remuneration and Terms of Service Committee have existing terms of reference, which have been previously approved by the Board and will be extant until the Board approves any replacement terms of reference.</p>
Awdur/ Cyflwyno / Author/presenting	Richard Bevan, Interim Board Secretary
Dyddiad / Date	16 th July 2024
Cefndir / Background	
<p>The Board at recent development sessions, as part of the Board Effectiveness Review undertaken in February 2024 and the effectiveness review undertaken by the Audit and Risk Assurance Committee in March 2024, identified that adjustments were required to the organisation’s committee framework and the corresponding terms of reference for each of its committees.</p> <p>The Board agreed it would proceed with the existing two committees, but that the scope and role of the Remuneration and Terms of Service Committee would be expanded to consider wider workforce matters and matters of equity, diversity and inclusion. This would reduce the current programme of work of the Audit and Risk Assurance Committee in relation to considering workforce matters and more appropriately rebalance the workloads between the two committees. This would also result in the new Workforce, Remuneration and Terms of Service Committee being required to meet at least four times a year, whereas currently the Remuneration and Terms of Service Committee is only required to meet at least once a year.</p>	

Earlier in 2024, the Chair and Chief Executive commissioned Eversheds Sutherland to undertake an independent governance review in the first quarter of 2024. The outputs of this review were received at the end of March 2024 and included some suggested changes to the committee arrangements.

Richard Bevan, Interim Board Secretary was also asked to undertake a governance review. A key element of the review has been to use the outputs of the independent review and existing good practice to update, where required, the governance framework for the organisation.

An important element of that review work has been reflecting on the committee framework and updating of terms of reference for Board committees.

Updated terms of reference were developed for the Audit and Risk Assurance Committee, and these were considered and endorsed by the committee at its meeting on the 19th June 2024. These are attached to this paper at appendix 1.

Terms of reference were also developed for the expanded role of the new Workforce, Remuneration and Terms of Service Committee. These have been considered in the organisation and by the Chief Executive and Chair of the existing Remuneration and Terms of Service Committee and were endorsed for consideration by the Board. These new terms of reference are attached at appendix 2.

They key areas of change and additions are outlined below.

Manylion / Detail

The key area of change and additions to the Audit and Risk Assurance Committee terms of reference are outlined below:

- Clarifying the position of the committee on monitoring the financial position of the organisation and providing advice to the Board.
- Confirming the committee's role in the risk framework and assessing the effectiveness of the overall system and the identified risks and mitigations.
- Decision making as delegated to the committee from the Board in line with the Scheme of Delegation.
- Qualifying criteria for the appointment of the Vice Chair of the committee.
- Clarification on the attendance of the Chief Executive and Chair at the committee.
- Information, updates and explanations on progress and assurance to be provided by officers.
- Advisory and support role to the committee of the lead strategic director.
- Clarification on the attendance of the Counter Fraud Service.

- Arrangements for advice to the committee and minute taking should officers be asked to withdraw.
- The committee's role in finalising the Governance Statement for Llais.
- Clarifying the approach regarding redress.
- Clarifying the wording regarding the letter of representation.
- The committee's role in finalising the annual report and accounts.
- Committee's role in the finalisation of the audit plan.
- Commenting on the effectiveness of auditors and plans
- Reporting line to the Chair of the Board from the Chair of the committee.

The changes to the new terms of reference for the new Workforce, Remuneration and Terms of Service Committee are substantial to reflect the expanded role regarding wide workforce matters, matters relating to equity, diversity and inclusion and highlighting the requirement for the committee to meet more frequently. The revised terms of reference, however, include all the responsibilities of the former committee.

There will also be opportunities for cross referencing and assurance between committees, especially regarding the programme of internal audit work and the work of Audit Wales, which will primarily report to the Audit and Risk Assurance Committee but will cover subject areas relating to the role of the Workforce, Remuneration and Terms of Service Committee. On those occasions it will be expected that the detailed scrutiny of those subject areas will take place at the Workforce, Remuneration and Terms of Service Committee and will be reflected in its work programme.

The Board is asked to approve the establishment of a Workforce, Remuneration and Terms of Service Committee and approve its terms of reference and approve the revised terms of reference for the Audit and Risk Assurance Committee.