

# Board name: Oxford Street Development Corporation (OSDC) Board

<b>Title of report:</b>	<b>Audit and Risk Committee Nominations and Terms of Reference</b>
<b>Report of:</b>	<b>Chair of the Board</b>
<b>Date:</b>	<b>7 January 2026</b>
<b>Public Access:</b>	<b>This report will be considered in public.</b>

## 1. Summary

- 1.1. This paper seeks approval of the Terms of Reference of the proposed Audit and Risk Committee of the Oxford Street Development Corporation's (OSDC) Board, and sets out the process to approve appointments to the Committee, including its Chair.

## 2. Recommendations

The Board is invited to:

- 2.1. **Approve** the committee structure set out in section 3 and the Terms of Reference for the Audit and Risk Committee as set out in **Appendix A**;
- 2.2. **Consider** nominations to the Audit and Risk Committee, including its Chair and members; and
- 2.3. **Delegate** the final appointment of the Chair and members of the Audit and Risk Committee to the Chair of the OSDC Board, and note that appointments to the Committee will be made in advance of the first scheduled Audit and Risk Committee meeting in February 2026 (date to be confirmed). Note that this is a one-off delegation by way of Urgent Action to enable the rapid set up of the Audit and Risk Committee, and that future appointments to the Committee will be approved by the Board.

## 3. Background

- 3.1. Schedule 21 of the Localism Act 2011 allows a Mayoral Development Corporation (MDC)'s Board to establish committees and allows its committees to establish subcommittees. The Act also stipulates that Mayoral agreement is required for the appointment of anyone who is not a Board member onto a committee or sub-committee. The Act permits the Board to delegate its statutory functions to committees and for them to delegate to sub-committees, and for single Board members and staff to exercise delegated functions.
- 3.2. Audit is mandatory in local government, with local authorities charged with the responsibility to maintain an adequate and effective internal audit function, and effective risk management, control and governance. Local government is also subject by law to external audit.
- 3.3. The Chartered Institute of Public Finance and Accounting (CIPFA) recommends that all public service bodies should establish an audit committee, comprising non-executive members, with responsibility for the independent review of the systems of internal control and of the external audit process.

- 3.4. It is proposed that an Audit and Risk Committee is established for the OSDC to oversee internal and external audit processes, as well as the implementation of adequate financial controls across the OSDC's work programmes.
- 3.5. The proposed terms of reference for the Audit and Risk Committee, which the Board is invited to **approve**, are set out in **Appendix A**.
- 3.6. It is proposed that the Audit and Risk Committee comprise one Chairperson and two additional committee members, drawn from the OSDC Board, with a provision for review of the composition of the Committee in one year's time.
- 3.7. The Board is invited to (i) **consider** nominations for the role of Chair and members of the Audit and Risk Committee; and (ii) **delegate** the final appointment of the Chair and two additional members of the Audit and Risk Committee to the Chair of the OSDC Board. The Board is also invited to note that appointments to the Committee will be made in advance of the first scheduled Audit and Risk Committee meeting in February 2026 (date to be confirmed).

#### **4. Issues for Consideration**

##### Risks and Issues

- 4.1. Not having an effective Audit and Risk Committee in place leaves the organisation vulnerable to not being able to identify and mitigate operational risks and failing to address weaknesses in governance, risk management and internal controls (e.g. anti-fraud processes). There is a risk of non-compliance with statutory requirements and an inability to make effective use of resources.
- 4.2. Without an Audit and Risk Committee, there may also be a lack of independent challenge on financial and risk management matters, which could lead to external auditor intervention and potential recommendations for improvement or statutory action. The proposals laid out in this paper will mitigate against those risks.

#### **5. Equality Comments**

- 5.1. The OSDC must comply with the Public Sector Equality Duty under section 149 of the Equality Act 2010 which means it must when carrying out its functions have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation, as well as to the need to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not.
- 5.2. This involves having due regard to the need to remove or minimise any disadvantage suffered by those who share a protected characteristic or one that is connected to that characteristic; taking steps to meet the different needs of such people; and encouraging them to participate in public life or in any other activity where their participation is disproportionately low. The protected characteristics and groups are age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation and marriage/ civil partnership status. Compliance with the Equality Act may involve treating people with a protected characteristic more favourably than those without the characteristic. The duty must be exercised with an open mind and at all times when OSDC exercises any of its functions.
- 5.3. The Mayor's Equality, Diversity and Inclusion Strategy clearly states that the GLA Group will recruit or appoint to non-executive boards and advisory panels in a way that better reflects London's diversity.

5.4. The appointment process for members of the OSDC's Audit and Risk committee will comply with these requirements.

## **6. Financial Implications**

6.1. All financial implications associated with the recommendations in this report will be accommodated within the OSDC Budget.

## **7. Legal Implications**

7.1. The Localism Act 2011 Schedule 21 allows a Mayoral Development Corporation to establish Committees, and to delegate powers to them, including single Board members and staff. Mayoral approval is required for the appointment of people who are not Board members onto a Committee or sub-committee. The procedure for running Committees is set out in detail in the OSDC's Standing Orders.

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### **List of appendices to this report:**

- **Appendix A** – The Audit and Risk Committee Terms of Reference

### **List of background papers to this report**

- OSDC Standing Orders

### **Contact Information**

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