

Calling all audit committee members and company secretaries – have you updated your audit committee terms of reference to reflect the new UK/AIC Corporate Governance Code and Corporate Governance Code Guidance?

The new corporate governance codes became effective for financial years starting on or after 1 January 2025 and had the biggest impact on audit committees. This was primarily as a result of the obligatory adoption of the Minimum Standard and the removal of the FRC Guidance on Audit Committees which was not transferred across to the Corporate Governance Code Guidance.

The Chartered Governance Institute has stated it is still working on updating the model terms of reference for audit committees and does not have a definitive date for when these will be published. Therefore for companies with a 31 December year end, if they have not already done so, I would strongly recommended to not wait for these model terms to be published and to update the committee terms of reference now to ensure the audit committee undertakes all the new requirements it will need to report on in its next annual report and does not spend time on requirements which have fallen away.

June 2025