

CYNGOR SIR YNYS MÔN

COMMITTEE:	AUDIT COMMITTEE
DATE:	25 JULY 2011
TITLE OF REPORT:	LOCAL GOVERNMENT MEASURE AND CO-OPTION OF LAY MEMBERS
PURPOSE OF REPORT:	FURTHER STEPS TO IMPLEMENT IN ADVANCE OF THE LEGISLATION
REPORT BY:	CORPORATE DIRECTOR (FINANCE)
ACTION:	RECOMMEND CHANGES TO THE CONSTITUTION AND START THE APPOINTMENTS PROCESS

Further to the debate at the committee in March, this report moves forwards with the necessary changes to implement the changes required by the Local Government (Wales) Measure 2011 and in particular to begin the process for co-opting lay members. It remains the expectation that the Measure will be commenced from May 2012, but this report is based on aiming to implement in advance of that.

1. NECESSARY CONSTITUTIONAL CHANGES

Appendix 1 outlines the necessary changes to the terms of reference of this committee to comply with the Measure, and other minor changes. This will need to be forwarded to the Board of Commissioners for them to make recommendations to the Council, and once the Council have agreed changes, the Minister's consent will be required.

One significant potential change concerns the approval of the Statement of Accounts, which it is envisaged will transfer to the full Council. Some years ago, it was a requirement that only the full Council could approve the accounts, but as the statutory deadlines for approval became tighter and tighter, some flexibility was introduced in the legislation to allow the function to be delegated to the Audit Committee. This delegation was followed at this authority; the present constitution, and actual practice, is for the Audit Committee to do this. The statutory flexibility remains in place, but the preliminary draft guidance appears to infer that approval by the full Council is now the preferred practice. The draft at Appendix 1 envisages that the Audit Committee will do the scrutiny of the Statement of Accounts but then forward these for formal approval to the full Council. This will introduce a new step in the approval process and will require the Council calendar to be aligned with the accounts timetable – i.e. the quarterly meeting will have to be called as close as possible before 30 September in any year. Because this is infeasible for 2011, it is recommended that this change should only come into force from 2012.

It is also necessary to decide who exactly will appoint the co-opted members. The Measure places the duty on the authority as a whole, but this can be delegated. The most straightforward way of doing this would be for the councillor members of the audit committee itself to make the appointment, and the draft at 3.4.8.3.2 reflects this. Because this is not spelt out in the

Measure, this will need to be specifically confirmed by the full Council before the appointment can take place.

The Committee expressed the view at the last meeting that the co-opted members need not be remunerated (other than normal travel and subsistence costs). The formal responsibility for this, as with other co-opted members, rests with the full Council as part of the allowances scheme, therefore this recommendation will also need to be referred there.

2. PROCEDURE FOR APPOINTING CO-OPTED MEMBERS

The Committee at its last meeting agreed that there should be two co-opted members and to aim for a balance of skills – one with an accounting background, one with a risk management/audit/regulatory background.

Ideally, we need overlapping terms of office – i.e. two members, each to serve four years but appointment of each staggered two years apart. This means that on the initial appointment, one should be appointed for four years and the other for two years. Whether that is possible may depend on the availability of candidates for appointment, and may be best left until applications are to hand. That is, the advertisement will specify that appointment may be for two or four years, invite candidates to express their preferences, but leave the final decision to the appointment process itself.

It is proposed to follow a process similar to that for recruiting Standards Committee members. The job description and person specification will be drawn up and subject to approval by the Chair and Vice-chair of the Committee. The advertisement will be placed in September, once the full Council has approved this procedure.

Because this is recruitment for a specialist and independent role, it is considered that in addition to the authority's officers, the Committee should have the benefit of an external assessor, to advise on the process.

The Committee as a whole will make the appointment, but it may be prudent to allow for a shortlisting process if there are a large number of candidates and depending on how closely they meet the person specification. This could be delegated to the Chair and Vice-chair, advised by the external assessor.

3. RECOMMENDATIONS

- (i)** to forward the proposed changes to the Constitution to the Board of Commissioners, then County Council, then the Minister, with the saving that the existing delegation under 3.4.8.1.1 (xi) remains effective throughout 2011;
- (ii)** to recommend to the Council that it delegates the appointment of lay members to the councillor members of the Audit Committee;
- (iii)** to begin the process of recruitment as outlined at section 2 above, giving the Chair and Vice-chair of the Committee the power to act on these matters between Committee meetings.