

CYNGOR SIR YNYS MON / ISLE OF ANGLESEY COUNTY COUNCIL

MEETING:	Governance and Audit Committee
DATE:	05/12/2024
TITLE OF REPORT:	To nominate to the North Wales Corporate Joint Committee
PURPOSE OF THE REPORT:	To establish a Governance and Audit Committee for the North Wales Corporate Joint Committee
REPORT BY:	Director of Function (Council Business) / Monitoring Officer
CONTACT OFFICER:	Director of Function (Council Business) / Monitoring Officer

1. RECOMMENDATIONS

- 1.1 To nominate one county councillor to serve on the Governance and Audit Committee of the North Wales Corporate Joint Committee together with one county councillor to serve as a substitute.
- 1.2 To consider whether to nominate a lay member/s to the Governance and Audit Committee of the North Wales Corporate Joint Committee.

2. INTRODUCTION / BACKGROUND

- 2.1 The North Wales Corporate Joint Committee was established on 30/06/2022.
- 2.2 The Corporate Joint Committee includes representation from the six regional principal councils and is now exercising its statutory duties in relation to strategic planning and transportation.
- 2.3 It is expected that the North Wales Growth Deal, currently under the jurisdiction of the Economic Ambition Board, will shortly become a function of the Corporate Joint Committee.
- 2.4 In the meantime, the Corporate Joint Committee must put in place corporate governance arrangements. Work is ongoing in relation to scrutiny and standards, but the six regional county councils have now been asked to make nominations to the Corporate Joint Committee's Governance and Audit Committee.

3 INFORMATION RELEVANT TO THE COMMITTEE'S DECISIONS

- 3.1 The North Wales Corporate Joint Committee Regulations 2021 provided for the creation of the Corporate Joint Committee in accordance with the provisions of the Local Government and Elections (Wales) Act 2021.
- 3.2 The Local Government (Wales) Measure 2011 provided that every principal council in Wales must have an Audit Committee. These committees were later renamed as Governance and Audit Committees under the Local Government and Elections (Wales) Act 2021.
- 3.3 The North Wales Corporate Joint Committee Regulations 2021 provide that the Corporate Joint Committee must have its own Governance and Audit Committee. One third of the members of the Governance and Audit Committee must consist of lay members.
- 3.4 The Corporate Joint Committee has resolved to create its own Governance and Audit Committee, the Terms of Reference for which are at **Enclosure 1**. Whilst adopted, the Terms of Reference will be reviewed by the Governance and Audit Committee and will be updated in due course.
- 3.5 The Corporate Joint Committees shall consist of nine members: comprising of six county councillors, one from each of the constituent councils, and three lay members. The quorum shall be seven and shall exist where there is a councillor from each of the constituent councils plus one lay member in attendance. The Chair must be drawn from among the three lay members.
- 3.6 The Governance and Audit Committee is required to meet at least once a year but is scheduled to meet once every quarter and meetings are expected to last around two hours. They will take place remotely. As the provision for remote attendance is a statutory entitlement, even if an "in person" option is introduced in the future members of the Governance and Audit Committee shall always be entitled to attend remotely.
- 3.7 An officer appointed / seconded by the Corporate Joint Committee shall act as the advisor to the Governance and Audit Committee.
- 3.8 Training, development and support will be provided to the members of the Governance and Audit Committee. This will include role specific training as well as IT support.
- 3.9 The Corporate Joint Committee has resolved to appoint members from the existing Governance and Audit Committees of the constituent councils. Each of the constituent councils has been asked to nominate a councillor from its own Governance and Audit Committee, as its principal nominee, together with a second councillor to act as a substitute to ensure that a quorum can be achieved when the principal nominee is unavailable. County council nominees shall not receive additional remuneration.

- 3.10 It should be noted that those to be nominated as principal / deputy county councillors may not be members of the Executive nor members of any other sub-committee, or coopted member, of the Corporate Joint Committee.
- 3.11 Additionally, each of the constituent councils are asked if they wish to nominate a lay member to serve on the Governance and Audit Committee of the Corporate Joint Committee. A brief introduction to the role and role description are attached at **Enclosure 2**. If there are to be more than three nominations altogether, then the Corporate Joint Committee has decided to make appointments based on merit in accordance with an application process, beginning with a written application on a form to be provided.
- 3.12 Lay members appointed to the Corporate Joint Committee will receive remuneration in accordance with any relevant determination issued, from time to time, by the Independent Remuneration Panel for Wales.

Governance and Audit Sub Committee – Terms of Reference

The terms of reference of the sub-committee are set out in the CJC Establishment Regulations which state that the Governance and Audit sub-committee must be appointed further to Section 81 of the Local Government Measure (Wales) 2011 as amended, to:

- a) review and scrutinise the CJC's financial matters
- b) make reports and recommendations in relation to the CJC's financial matters
- c) review and assess the CJC's risk management, internal control, performance assessment and corporate governance arrangements
- d) make reports and recommendations to the CJC regarding the adequacy and effectiveness of those arrangements
- e) review and assess the CJC's ability to handle complaints effectively
- f) make reports and recommendations in relation to the CJC's ability to handle complaints effectively
- g) inspect the CJC's internal and external audit arrangement
- h) review the financial statements prepared by the CJC
- i) exercise such other functions as specified by the CJC

The sub-committee must also undertake the further functions of the Governance and Audit Committee under Chapter 1 of Part 6 of the Local Government and Elections (Wales) Act 2021 (performance and governance of principal councils).

The sub- committee will also be responsible for fulfilling the following functions:

- (i) to promote internal audit, establishing a timetable to conduct review control, develop an anti-fraud culture and review financial operations;
- (ii) to consider observations and concerns on individual services at a county level, on the basis of reports by Council officers, the Audit Commission or the District Auditor and monitor the response and actions on the recommendations and findings.

Membership

Members of a CJC Governance and Audit committee cannot be a member of the CJC, a member of the executive of a constituent council or a co-opted member (co-opted member

in this case means a person co-opted on to the CJC, or to participate in activities of the CJC, other than the governance and audit committee).

Membership of the Governance and Audit Sub-Committee must be at least one third lay members, and at least two thirds membership from the constituent councils. The appointment(s) will be made by the North Wales CJC.

The Chair of the Governance and Audit Sub-Committee must be a lay member.

The Governance and Audit Sub-Committee should be established by the CJC comprising of lay members to be drawn from constituent councils governance and audit committees (or externally advertised if this is not possible) and members from each constituent council.

The Governance and Audit Sub-Committee may not exercise its functions if the membership contravenes these requirements.

Guidance of the Welsh Ministers

The governance and audit sub-committee must have regard to any guidance given by the Welsh Ministers under Section 85(1) Local Government (Wales) Measure 2011.

Quorum

The quorum for the governance and audit sub-committee shall be 7 members with at least one member present from each Constituent council and at least one Lay Member.

Standing Orders

2.22 Governance and Audit Sub-Committee

2.22.1 The CJC must establish a sub-committee (known as the Governance and Audit Sub-Committee)

2.22.2 The Terms of Reference of the Governance and Audit Sub-Committee are set out in Part 4 of this Section 5 and those terms of reference may be amended by the CJC from time to time within statutory requirements.

2.22.3 The membership of the Governance and Audit Sub-Committee shall consist of 9 Members 6 of whom shall be elected members drawn from and nominated by the Governance and Audit Committees of each of the 6 Constituent Councils and 3 of whom shall be Lay Members.

Meetings

2.23 The Governance and Audit Sub-Committee are required to meet once every calendar year as a minimum.

North Wales Governance and Audit Sub-Committee

Background information for Independent (lay) Members

The North Wales Corporate Joint Committee (NWCJC) is a new public regional body established by the North Wales Corporate Joint Committee Regulations 2021 further to the Local Government and Elections (Wales) Act 2021. The NWCJC's membership is comprised of 6 Council Members, one for each local authority in NW Wales, and a member from Eryri National Park Authority.

The NWCJC has responsibility for preparing Strategic Development Plans, Regional Transport Plans, and for doing whatever is deemed necessary to enhance or promote the economic well-being of the area.

NWCJC is looking for three independent members to join our new Governance and Audit Sub-Committee for a term of 4 years.

The Governance and Audit Sub-Committee will be a key component of NWCJC's corporate governance. The purpose of the Governance and Audit Sub-Committee will be to review and scrutinise the NWCJC's financial affairs and to provide an independent focus on the audit, assurance, performance and reporting arrangements that underpin good governance and financial standards.

The Governance and Audit Sub-Committee will have 9 members, including 6 Councillors and 3 independent (lay) members. The meetings are held quarterly in any calendar year, and are currently on-line.

Please find enclosed:

- The Sub-Committee's terms of reference - it will operate with due regard to the Chartered Institute of Public Finance and Accountancy's (CIPFA) good practice guidance.
- A role description and person specification – we are looking for independent-minded professionals, willing to support the Sub-Committee through their accumulated personal knowledge and experience in areas relevant to its role.

Whilst a detailed knowledge of local government is not necessary it would be expected that potential candidates would be interested in matters relating to the public sector and audit. Induction training will be provided to all new members. The Governance and Audit Sub-Committee will be chaired by a Lay Person, so a willingness and ability to fulfil this role is desirable.

North Wales Corporate Joint Committee

Governance and Audit Sub-Committee

Independent (Lay) Member Role Description and Person Specification

Accountabilities:

- To the CJC
- To the Chair of the Sub-Committee

General Responsibilities for Lay Members:

- Actively participate in Committee meetings and be objective, independent and impartial
- Have regard to the requirements of the Chair of the Sub-Committee and the professional advice of senior officers of the NWCJC
- To work according to the Terms of Reference of the Sub-Committee
- Contribute to the development of the forward work programme for the Sub-Committee
- Participate in any training and development required for the role
- Demonstrate independence, integrity, and impartiality in decision making according to legal, constitutional and policy requirements
- Uphold the Nolan principles of behaviour and act in accordance with the Constitution of the NWCJC and its Code of Conduct
- To report as required to the CJC
- To respond to any recommendations made by the Auditor General for Wales

Role purpose and activity

Review, scrutinise make reports and recommendations on the NWCJC's financial affairs:

- Oversee the authority's internal and external audit arrangements
- Work with internal and external auditors
- Review the financial statements prepared by the CJC

Review, assess make reports and recommendations on the NWCJC's performance management and corporate governance arrangements and its effectiveness:

- Contributing to the effective performance of the CJC
- Review the draft report of the CJC's annual self-assessment and make recommendations for changes to the conclusions or actions that the CJC intends to take
- Make recommendations in response to the draft report of the CJC's Panel Assessment

Review, assess make reports and recommendations on the NWCJC's complaints management process:

- Review and assess the CJC's ability to handle complaints effectively.
- Make reports and recommendations in relation to the authority's ability to handle complaints effectively.

Review and assess the Governance, Risk Management and Control of the CJC:

- Review and assess the risk management, internal control, and corporate governance arrangements of the CJC
- Make reports and recommendations to the CJC on the adequacy and effectiveness of those arrangements
- Review and assess the financial risks associated with corporate governance, and be satisfied that the CJC's assurance statements, including the Annual Governance Statement, reflects the risk environment and any activities required to improve it

Skills of Governance and Audit Committee Member

To provide challenge and support in your role of being an independent source of support for the Governance and Audit Sub-Committee:

- An ability to analyse complex information, question, probe and seek clarification to come to an independent and unbiased view.
- Strong interpersonal skills and the ability to work with, influence and advise diverse stakeholders
- Excellent communication skills and the ability to contribute to discussions
- Confidence to challenge and hold senior staff accountable
- Independence, objectivity, and discretion with sound judgment
- Ability to maintain strict confidentiality

Qualifications and Experience

You will ideally have experience of one or more of the following:

- A financial or audit type background and/or appropriate experience of financial management.
- Strong appreciation of governance principles, risk management and control, and their practical application
- Sound understanding of the roles of internal and external audit
- Knowledge of external reporting requirements under UK accounting standards
- Budget management and business planning experience
- Understanding of organisational structures, strategies, and objectives.
- Experience of working in or with large, complex organisations with an understanding of the political environment within which local government operates

Time Commitment

- Attending and preparing for Governance and Audit Sub-Committee meetings held virtually.
- The Sub-Committee will meet on a quarterly basis within any calendar year.
- Supporting the lay chair in their role and contributing on a regular basis as issues arise.
- Attending training/events by agreement.

Terms

- The successful candidate will be appointed for a four year term. Lay Members may spend up to a maximum of eight years on the committee.
- You will be expected to attend approximately four Sub-Committee meetings a year.
- The Sub-Committee will meet during the day, normally starting at 10am or 2pm. Meetings last 2 to 3 hours (but may be longer on occasion) and you would also need to allow for some preparation time. Formal meetings are held online and are webcast for the public to view.

- The position is a voluntary role, however you are entitled to remuneration for time preparing and attending the Sub-Committee. Lay chair of the Governance & Audit Sub-Committees hourly rate is £33.50; ordinary lay members hourly rate is £29.75.

Restrictions

You should not:

- Hold a current or prospective paid office or employment, appointment, or elected to the NWCJC or one of its sub-committees
- Be disqualified from being a Member of a constituent Council or Eryri NP
- have any criminal convictions or be an un-discharged bankrupt
- have any significant business dealings with the NWCJC or any of the six constituent councils