

GWYNEDD COUNCIL



Report to a Meeting of Gwynedd Council

DECISION SOUGHT

Item Title : Local Government and Elections (Wales) Act 2021 – Governance and Audit Committee

Purpose: To report on the changes to the Constitution in relation to the governance and Audit Committee and seek a decision on the future size of the Committee.

Report Author : **Monitoring Officer**

Cabinet Member: **Cllr Nia Jeffreys**

It is recommended that the Council

- 1. Notes the changes made to the Constitution made by the Monitoring officer in Appendix 1.**
- 2. Confirms the recommendation of the Governance and Audit Committee to set the total membership of the Committee at 12 elected members and 6 Lay Members for May 2022.**

BACKGROUND

1. There are specific changes to the Audit and Governance Committee's functions and make up in the Act:
 - The name of the Committee changes to the Governance and Audit Committee
 - It assumes a role in relation to the complaints systems
 - It is given specific functions in relation to the new performance management arrangements in Part 6 of the Act.
 - The membership of the Committee will need to change for May 2022 so that 1/3 of the membership will be independent members.
 - The chair of the Committee must be appointed from amongst the lay membership

CONSTITUTION

2. The highlighted changes are all statutory and take effect on the dates stated above. Appendix 2 sets out the main changes to the Constitution which I have made under paragraph 2.6.3. of the Constitution. The provision which are yet to come into force will be established for May 2022/

2.6.3 Legislative Change

Any part of the Constitution may be amended by the Monitoring Officer where such amendment is required to be made so as to comply with any legislative provision. Such amendments shall take effect when the Monitoring Officer so decides or the legislation (where relevant) so provides. Such changes shall be reported to the next Full Council meeting for information.

MEMBERSHIP OF THE GOVERNANCE AND AUDIT COMMITTEE

3. The requirement for the one third lay members including the chair (which come into force in 5TH May 2022) will need to be incorporated into the Constitution to come into force at the appropriate time. A lay member means a person;
 - who is not a member or officer of a local authority,
 - has not been a member or an officer of a local authority at any time within twelve months before the appointment,
 - is not married to or is a civil partner of a member or officer of a local authority
4. This gives rise to the issue of the appropriate size of the Committee. Currently there are 18 elected members of the Committee together with a single independent member. On this basis there would be 6 lay members and 12 elected members of the committee from May 2022.
5. The recruitment process for the lay members of the Committee is already in train. This was in response to an opportunity to participate in an extensive WLGA advertising campaign. The process for appointing was established by the Council in 2017. In summary following a press advert a Panel which includes the Chair of the Council, Chair of the Governance and Audit Committee and the Cabinet Member for Finance advised by the Heads of Finance and Legal would undertake the interview process. The Panel would then make a recommendation to the Council to appoint the lay members for term of four years. It is intended so that the appointments can be recommended to the Council in March. This will allow for the establishment of the Committee in time for the coming into force of the requirement.
6. Before the process can be completed there needs to be a decision as to the future overall size of the Committee. There are a number of options of course. A report was presented to the Governance and Audit Committee on the 18th of November and having regard to the current size of Scrutiny Committees the recommendation of the Committee was to appoint a committee with a total of 18 members, 6 lay members and 12 elected members.

VIEWS OF THE STATUTORY OFFICERS:

The Monitoring Officer:

Report Author

Head of Finance:

I have worked with the author in the preparation of this report and confirm that an appropriate process is in train to recruit lay members for the Governance and Audit Committee (in time for May 2022). I believe that the Committee's recommendation to Council regarding the number of members is sensible and practical.

Appendix 1

SECTION 13 PART 1

THE GOVERNANCE AND AUDIT COMMITTEE

- Details of the composition of this committee are included in Section 9 of the Constitution.
- The tables below list the specific functions in The Local Authorities (Executive Arrangements) (Functions and Responsibilities) (Wales) Regulations 2007 (namely functions that are not to be the responsibility of the authority's Executive) which have been delegated to the committee. The headings, numbers and letters correspond to those in the Regulations.
- The third column notes whether or not the function has been delegated onwards to a principal officer. Further details on the rights of the principal officer, including any restriction on the right to act are to be found in the Schemes for Delegation to Officers in Appendix 3 to Section 13 of the Constitution.

Functions that cannot be the responsibility of the Executive.

FF. Various Functions

Function	Provision of Act or Statutory Instrument	Delegation - (subject to any restrictions in the Scheme for Delegation to Officers)
1. The duty to approve an authority's statement of its accounts, income, expenditure and balance sheet or its record of its proceeds and payments (as it happens).	Accounts and Audit Regulations (Wales) 2005	

Functions under the Local Government Measure (Wales) 2011

The committee is responsible for fulfilling the following statutory functions under Section 81 of the Local Government Measure (Wales) 2011 as amended:

- review and scrutinise the authority's financial matters,
- make reports and recommendations in relation to the authority's financial matters.
- review and assess the authority's risk management, internal control **performance assessment** and corporate governance arrangements,
- make reports and recommendations to the authority regarding the adequacy and effectiveness of those arrangements,
review and assess the authority's ability to handle complaints effectively.
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- (f) **make reports and recommendations in relation to the authority's ability to handle complaints effectively,".**
- (g) inspect the authority's internal and external audit arrangements, and
- (h) review the financial statements prepared by the authority.
- (g) **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)**

Other Functions

The 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 focus the Council's audit resources by agreeing on audit plans and monitoring the provision of audit;
- (iii) to monitor audit performance by ensuring that officers' work is on schedule, that audit reports are produced on time and that they are responded to in the same way, monitoring the completion of the accounts and ensuring action on audit recommendations;
- (iv) 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.
- (v) Review and scrutinise matters relating to the councils internal operation such as corporate strategies, partnerships, engagement, business transformation and workforce efficiency arrangements and the functions carried out by the Finance Department, Corporate Support Department and Leadership team.