

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO COUNCIL

20 OCTOBER 2021

REPORT OF THE MONITORING OFFICER

CHANGES TO THE MEMBERSHIP OF THE GOVERNANCE AND AUDIT COMMITTEE

1. Purpose of report

- 1.1 The purpose of this report is to consider changes to the membership of the Governance and Audit Committee to take effect following the Annual Meeting of Council on 18 May 2022.

2. Connection to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objectives under the **Well-being of Future Generations (Wales) Act 2015**:

1. **Supporting a successful sustainable economy** – taking steps to make the county borough a great place to do business, for people to live, work, study and visit, and to ensure that our schools are focused on raising the skills, qualifications and ambitions for all people in the county borough.
2. **Helping people and communities to be more healthy and resilient** - taking steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services. Supporting individuals and communities to build resilience, and enable them to develop solutions to have active, healthy and independent lives.
3. **Smarter use of resources** – ensure that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

- 2.2 The establishment of Committees and other bodies will fulfil the requirements of the Constitution and enable the Council to work towards the successful achievement of its Corporate Well-being Objectives.

3. Background

- 3.1 Whilst the Authority already has a Governance and Audit Committee, the Local Government (Wales) Measure 2011 made this a statutory requirement. The Measure makes a number of requirements in relation to the Audit Committee's membership, including the appointment of the Chairperson and the Committee's remit.

- 3.2 The Measure 2011 statutory guidance requires Audit Committees to have the following statutory functions:

- Review, scrutinise and issue reports and recommendations in relation to the authority's financial affairs.
- Review, scrutinise and issue reports and recommendations on the appropriateness of the authority's risk management, internal control and corporate governance arrangements.
- Oversee the Authority's audit arrangements and review its financial statements.

3.3 The Governance and Audit Committee can decide how it wants to carry out its functions but it must have regard to the statutory guidance issued by the Welsh Government under Section 85 of the Measure 2011.

3.4 The Local Government and Elections (Wales) Act 2021 has added additional responsibilities to the Committee linked with governance including consideration of aspects of performance and complaints.

4. Current situation / proposal

4.1 The current membership of the Governance and Audit Committee comprises 12 Bridgend County Borough Council (BCBC) Members and one Independent (Lay) Member. In terms of the Lay Membership of this Committee, the current Lay Member Ms J Williams was reappointed for a further term at the Annual Meeting of Council on 17 May 2017 and in accordance with the Measure she is allowed to sit for a maximum of two terms on the Committee in this capacity. This term will expire in May 2022.

4.2 Members will recall that under the Local Government and Elections (Wales) Act 2021 it will be a legislative requirement from 5 May 2022 for one third of the membership of the Committee to be Lay Members. It is therefore proposed that the membership of the Governance and Audit Committee is changed to 12 Members consisting of 8 BCBC Members and 4 Lay Members and that Council approve the appointment of additional Lay Members to ensure it is compliant with the legislation from 5 May 2022 onwards. The allocation of seats to the Committee will then be determined at the Annual Meeting of Council on 18 May 2022 in accordance with the political composition of the Council at that time.

4.3 Under the Local Government (Wales) Measure 2011 statutory guidance paragraph 9.27 relates to the appointment of Lay Members and states:

- (a) Lay Members should be independent from the council and have no business connection with it, although knowledge of how local government functions would be a definite advantage;
- (b) In appointing Lay Members whose political allegiances are well known, local authorities should consider if this compromises the independence from the council a Lay Member should possess.

4.4 The guidance recommends a Lay Member should not be appointed for more than two full terms of a local authority. Any Lay Member with voting rights is subject to the provisions of the Code of Conduct for Members.

- 4.5 If Council approves the proposal to seek the appointment of additional Lay Members, the following recruitment process will commence as outlined below.
- 4.6 In order to comply with legislation, national adverts will be placed in conjunction with the Welsh Local Government Association, as well as on the Council's website, to advertise the positions. In addition, to promote greater awareness and encourage wider applications, details of the position will be sent to as many stakeholder organisations and networks as possible.
- 4.7 Applicants will be required to complete an application form. All applications received will then be presented to an Officer Panel consisting of the Monitoring Officer, Chief Finance Officer and Head of Internal Audit to decide on a shortlist of applicants to be interviewed. In considering a shortlist for interview, it is proposed that the following criteria is used:
- Interest and knowledge/experience of financial, risk and performance management, audit, accounting concepts and standards, and the regulatory regime within Wales;
 - Objective and independent of mind with an unbiased attitude and ability to apply discretion;
 - Supportive of good governance principles and their practical application towards the achievement of organisational objectives;
 - Strategic thinker with excellent communication skills;
 - Ability to understand and weigh up evidence and challenge respectfully.
- 4.8 Shortlisted candidates would be interviewed by the Panel and if appropriate, appoint the successful candidates as Lay Members to the Governance and Audit Committee.

5. Effect upon policy framework and procedure rules

- 5.1 The Constitution will require amending in relation to the membership of the Governance and Audit Committee.

6. Equality Act 2010 implications

- 6.1 The protected characteristics identified within the Equality Act 2010, Socio-economic Duty and the impact on the use of the Welsh language have been considered in the preparation of this report. As a public body in Wales, the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

7. Well-being of Future Generations (Wales) Act 2015 implications

- 7.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

8. Financial Implications

- 8.1 Independent Members will be entitled to remuneration under the Council's Schedule of Remuneration for Members as follows: £210 daily fee, £105 half day fee. This will be met from the Democratic Services budget.

9. Recommendations

It is recommended that Council:

- 9.1 Approve the changes to the membership of the Governance and Audit Committee as outlined at paragraph 4.2 of the report to take effect following the Annual Meeting of Council on 18 May 2022;
- 9.2 delegate the process for selecting and recommending appropriate Lay Members to an Officer Panel comprising the Monitoring Officer, Chief Finance Officer and Head of Internal Audit;
- 9.3 receive a further report advising of the appointments.

Kelly Watson,
Chief Officer, Legal and Regulatory Services, HR and Corporate Policy
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Contact Officer: Kelly Watson
Chief Officer – Legal, HR and Regulatory Services

Telephone: (01656) 643106
E-mail: Kelly.watson@bridgend.gov.uk

Postal Address: Civic Offices,
Angel Street,
Bridgend
CF31 4WB

Background Documents: None