

AUDIT COMMITTEE

Date of Meeting	Wednesday 27 th January 2021
Report Subject	Recruitment of a Lay Member to the Audit Committee
Report Author	Chief Officer Governance

EXECUTIVE SUMMARY

Under the Local Government and Elections (Wales) Bill, at least 1/3 of the membership of the Audit Committee must be lay members. The current Audit Committee consists of 7 elected Councillors and 2 lay members. An additional lay member will be needed to meet the new requirements.

Council already has approved criteria for the appointment of lay members. It is recommended that a member panel consisting of the Chair of Council, Chair of the Audit Committee, the Cabinet Member for Finance plus 2 other members of the Audit Committee should interview candidates and make a recommendation to Council for appointment.

RECOMMENDATIONS

1	That one additional lay member be recruited to the Audit Committee in place of an elected member with effect from May 2022.
2	That the recruitment panel consisting of the Chair of Council, Chair of the Audit Committee plus the Cabinet Member for Finance makes a recommendation to Council for appointment.

REPORT DETAILS

1.00	EXPLAINING THE RECRUITMENT OF A LAY MEMBER
1.01	<p>The Committee will have seen from an earlier report on this agenda that the Local Government and Elections (Wales) Bill (“the Bill”) requires that 1/3 of the membership of the Audit Committee must be co-opted members. On the Audit Committee these are called lay members. The Committee currently consists of 7 elected Councillors and 2 lay members. Council therefore has the following options:</p> <ol style="list-style-type: none">1) reduce the size of the Committee to 6 (4 elected Councillors plus the existing 2 lay members);2) maintain the Committee’s current size of 9, and replace one elected member with an additional lay member; <p>The Audit Committee works well because of its relatively compact size, which enables members to develop lines of questioning on complex issues without excluding other members who wish to speak. The Audit Committee considered its own requirements in 2019 and recommended the current size, and it is suggested that the current membership of 9 should therefore be maintained.</p>
1.02	<p>The Bill defines a lay person as follows - “lay person” (“lleygwr”) means a person who— (a) is not a member or an officer of any local authority, (b) has not at any time in the period of twelve months ending with the date of that person’s appointment been a member or an officer of any local authority, and (c) is not the spouse or civil partner of a member or an officer of any local authority;”</p> <p>For the purposes of this section “local authority” means a principal Council (i.e. a County or County Borough Council), a Community Council and either a Fire and Rescue or National Park Authority in Wales.</p>
1.03	<p>The Bill does not prescribe the skills, qualifications or experience required of a lay person. In 2012, when it first recruited a lay member, the Council agreed the criteria below which were drawn up, in part, by analogy with the Independent Member role on the Standards Committee:</p> <ul style="list-style-type: none">• Experience and/or understanding of audit, accounting practice and/or financial procedures;• Knowledge and/or experience of Local Government;• Perceived political and operational independence;• Has not been a Councillor or officer of Flintshire County Council (or its predecessors); and• Has not been an officer or member of another Council for at least 12 months. <p>These criteria are entirely compatible with the legislative requirements and should ensure that any candidate is capable of understanding and undertaking the complex technical work of the Committee.</p>

1.04	<p>It is proposed that advertisements be placed in the press (as required by the legislation) but also online and on social media. The applicants will be shortlisted by the s.151 Officer and Monitoring Officer prior to interview by a panel. I would recommend that the panel consist of:</p> <ul style="list-style-type: none"> • The Chair of Council; • The Cabinet Member with responsibility for Finance; • The Chair of the Audit Committee; • Plus 2 other Councillors (based on political balance).
1.05	<p>Only County Council can appoint a lay person and so the recruitment panel will need to make a recommendation back to Full Council. It was initially thought that these changes would come into effect from 1 April 2021 but it appears that they may come into force May 2022. The recruitment should therefore take place late autumn 2021 in time for the lay person to be appointed in February or March 2022.</p>

2.00	RESOURCE IMPLICATIONS
2.01	<p>Statutory guidance to the Local Government Measure 2011 requires that the position of lay person is advertised in the local press. The cost of doing this will be in the order of £6267.</p>
2.02	<p>It is proposed that the advert should advertise the vacancies for 2 Independent Members on the Standards Committee as well in order to reduce cost. Unfortunately, the prescriptive legislative requirements for recruiting Independent Members make it very difficult to also combine the recruitment and selection process.</p>
2.03	<p>The recruitment and selection process can be managed within existing resources.</p>

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None.

4.00	RISK MANAGEMENT
4.01	<p>Adverts will be placed bilingually in order to attract applications from Welsh speakers, and would be sent to local community groups representing people with disabilities to ensure that no potential candidate is accidentally excluded by the medium through which the vacancies are advertised.</p>

5.00	APPENDICES
5.01	None

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>Contact Officer: Gareth Owens, Chief Officer Governance Telephone: 01352 702344 E-mail: gareth.legal@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	<p>Co-opted Member/Independent Member/Lay Person - the Council consists of a Chairman and 69 Members who are all elected. By contrast, legislation sometimes provides for a person to be appointed to a Committee without being elected through a process called co-option i.e. recruitment and appointment by councillors. Lay persons on the Audit Committee and Independent Members on the Standards Committee are co-opted members</p>