
Governance Committee: Appointment of co-opted Independent member of Regulation, Audit and Accounts Committee and change to Joint Scrutiny Arrangements

Appointment of co-opted Independent member of Regulation, Audit and Accounts Committee

Background and context

- 1** The Regulation, Audit and Accounts Committee's (RAAC's) constitution currently provides for a committee of seven members, including a minority group chairman. The political makeup of the committee reflects the proportionality on the County Council, in line with the Local Government and Housing Act 1989.
- 2** A review of local authority audit arrangements was carried out in 2020 by Sir Tony Redmond, entitled 'Local Authority Financial Reporting and External Audit, an independent review'. The outcome of the review was reported to RAAC in September 2020, including the recommendation that independent members should be appointed to local authority audit committees. The Review reported on current arrangements:

'Whilst the vast majority of local authorities interviewed were supportive of the principle of appointing independent members, only about 40% of Audit Committees currently have done so. The reported experience of having independent members on Audit Committees was mixed. In some cases, they provided useful challenge, but some authorities reported that the effectiveness of independent members was hampered by their lack of sector specific knowledge. A particular challenge for authorities is attracting independent members with the relevant technical experience. This challenge can sometimes be greater depending on an authority's geographical location. Some PCCs have found that the introduction of Joint Audit Committees, which are seen as more prestigious, has made Audit Committee membership more attractive to appropriately qualified independent members, but there is still not an abundance of suitable applicants for vacant positions.

- 3** RAAC was enthusiastic about appointing a non-voting co-opted independent member with audit skills to assist the committee in its approach to audit and other areas of its responsibility.

Proposal details

- 4** It is recommended that RAAC be enabled to appoint its own non-voting, co-opted independent member, in line with the general provision for committees in Standing Order 2.19 and the Local Government Act 1972 section 102. The proposed change to the Committee's constitution is **set out at Appendix 1**. Travel expenses will be payable.
- 5** The expectation is that the position would be non-voting in line with the Local Government and Housing Act 1989 and that the appointee should be non-political (i.e. not a member of a political party) to reinforces the independent nature of the audit function.
- 6** The proposed appointment and terms of office set out at Appendix 1 are based on similar arrangements for independent members of the Independent Remuneration Panel and for the Pension Advisory Board.

7 The job description **set out at Appendix 2** is based on that of similar positions in other councils. It is proposed that the arrangements for recruitment and advertising be delegated to the Director of Law and Assurance and Director of Finance and Support Services, ending with a member appointment with the following steps:

- (i) February 2021 – Finalise job description and settle remuneration.
- (ii) March 2021 – Advertise the post.
- (iii) April 2021 – Shortlisting by Directors and interview by the Chairman and Vice-Chairman of RAAC.

Recommended

- (1) That the changes to the constitution of the Regulation, Audit and Accounts Committee, as set out at Appendix 1, be approved; and
- (2) That the Director of Law and Assurance and the Director of Finance and Support Services be given delegated authority to make arrangements to finalise the job description, advertise and take all other steps necessary to recruit to the role, for which travel expenses will be payable;

Minor change to Joint Scrutiny Arrangements

Background and context

8 Arun District Council has given notice that it will be adopting the committee system of governance from May 2021 removing separate scrutiny committees. The County Council's Constitution is affected in one minor way.

Proposal details

9 The current wording of the Joint Scrutiny Steering Group in Part 3, Appendix 19 of the Constitution states that the members from borough and district councils will be their chairmen of overview and scrutiny committees. It is proposed to amend this wording as follows with effect from 1 May 2021:

'The Chairmen of the West Sussex County Council Scrutiny Committees and the Chairmen of the Overview and Scrutiny Committees of the West Sussex borough and district councils, ***or in the case of a Council operating the committee system, the chairman of a committee.***'

10 This is proposed on the basis that committees at Arun will still undertake scrutiny of council services and should have equal opportunity of taking part in joint scrutiny projects in future.

11 At the same time as considering the impact of the changes to the Joint Scrutiny Steering Group membership, the portfolios of scrutiny committees were also reviewed. One change is recommended.

Recommended

- (3) That the changes to the constitution of the Joint Scrutiny Steering Group, with effect from 1 May 2021, as set out in paragraph 9 above.

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Appendices

- Appendix 1 – Changes to the constitution of the Regulation, Audit and Accounts Committee
- Appendix 2 – Job description for the independent cop-opted member of the Regulation, Audit and Accounts Committee

Background papers

None