

Cyngor Sir CEREDIGION County Council

REPORT TO: Democratic Services Committee

DATE: 21 May 2021

LOCATION: Remotely via Video Conference

TITLE: Report on Size of the Governance and Audit Committee

PURPOSE OF REPORT: To consider update Committee on changes in legislation and consider the size of the Governance and Audit Committee

BACKGROUND:

On 2 October 2019 the Council's Audit Committee (now Governance and Audit Committee) ("GAC") considered the matter of the size of the Audit Committee (before the Local Government and Elections (Wales) Act ('2021 Act') was published in Bill form) . The Audit Committee agreed to recommend to the Democratic Services Committee and subsequently Council increasing the number of County Councillors and lay/independent members sitting on the Audit Committee .

On 27 January 2020 the Democratic Services Committee considered a report, in which consideration of increasing the size of the Committee was proposed. The Democratic Services Committee resolved to recommend that the Committee remains at its current size until the implementation of the 2021 Act and changes to the number of County Councillors and to review at the appropriate time.

On 24 February 2021 a report was presented to the Audit Committee on the 2021 Act and the changes affecting the Audit Committee.

The Audit Committee agreed that the preferred option (Option 1 in the report) was that the future GAC should comprise:

a total of 9 members made up of :

- 3 independent lay members and
- 6 County Councillors)

On 18 March 2021 a Report on the 2021 Act and the changes affecting the Audit Committee was presented to Council where it was resolved to approve the commencement of the recruitment process for independent (lay) members to the Governance and Audit Committee.

A further report will be presented to the GAC at the 3rd June 2021 meeting relating to further changes affecting the GAC arising from implementation of the 2021 Act.

CURRENT POSITION:

In January 2021 Royal Assent was given to the 2021 Act.

S116 of the 2021 Act states that at least one third of members of the GAC must be lay persons. This will come into effect on 6/5/22.

The recruitment of additional lay members process is in progress.

The exact number of additional members required cannot be established until the size of the GAC is determined.

The views of the Democratic Services Committee are therefore requested regarding the size of the Governance and Audit Committee, so that a recommendation on its size can be made to Council.

It is understood that the Boundary Commission of Wales has previously recommended that the number of overall Council Members should reduce from 42 to 38 from May 2022, and that a review will be undertaken during 2021 as to how this change will affect the size of all of the Council's committees.

Relevant factors include:

- The cost implication for the Committee in an increase of Independent (lay) members;
- the fees paid to Independent (lay) members are determined by the Independent Remuneration Panel for Wales and are paid on a half or full day basis;
- The existing GAC is considerably smaller than other Council Committees;
- Large volume of reports which members are required to consider has put an additional pressure on existing members;
- Raise the profile of the work of the GAC;
- Increase the focus for GAC oversight on audit/assurance, governance framework and reporting;
- Ensure that the GAC adds value by supporting improvement across a range of objectives;
- There is regular attendance of external regulators at GAC meetings; and
- Maximising the Committee's knowledge base, experience and skills.

The 2021/2022 day Fee rates for the GAC independent lay members are:

- Chairperson (if Lay Member from 6/5/22) £268 (134 half day Fee)
- Lay member day fee of £210 (£105 half Day Fee).

RECOMMENDATIONS:

That the Democratic Services Committee considers recommending to Council:

1) That from 6/5/22 that the Governance and Audit Committee should comprise:

- 3 x independent / lay members

- 6 x County Council Members

Total: 9

REASON FOR RECOMMENDATIONS: Monitoring of the governance of the Local Authority, and to avoid governance/procedural issues regarding the required number of lay members in compliance with the Local Government and Elections (Wales) 2021 Act.

Contact Name: Elin Prysor

Designation: Corporate Lead Officer: Legal & Governance & Monitoring Officer

Acronyms: N/A

Date of Report: 11 May 2021

Appendices: None

Statutory powers: Local Government and Elections (Wales) Act 2021:

<https://www.legislation.gov.uk/asc/2021/1/introduction/enacted>

Background papers Report to Audit Committee 2 October 2019:

http://www.ceredigion.gov.uk/cpdl/Democratic_Services_Meetings_Public/H%20size%20of%20audit%20committee.pdf

2 October 2019 Audit Committee Minutes:

http://www.ceredigion.gov.uk/cpdl/Democratic_Services_Meetings_Public/G%20Cofnodion%20combined%20171219.pdf).

27 January 2020 Report to Democratic Services Committee

http://www.ceredigion.gov.uk/cpdl/Democratic_Services_Meetings_Public/Size%20of%20audit%20committee.pdf).

27 January 2020 Democratic Services Committee Minutes:

http://www.ceredigion.gov.uk/cpdl/Democratic_Services_Meetings_Public/A%20Cofnodion%2027%20lonawr%202020.pdf)

12 November 2020 Audit Committee Meeting Minutes:

<http://www.ceredigion.gov.uk/media/8073/audit-121120-final-s.pdf>).

24 February 2021 Report to Audit Committee:

http://www.ceredigion.gov.uk/cpdl/Democratic_Services_Meetings_Public/H%20size%20of%20audit%20committee.pdf

24 February 2021 Draft Audit Committee Meeting Minutes:

http://www.ceredigion.gov.uk/cpdl/Democratic_Services_Meetings_Public/G%20Cofnodion%20combined%20171219.pdf).

18 March 2021 Report to Council:

http://www.ceredigion.gov.uk/cpdl/Democratic_Services_Meetings_Public/I%20-%20Changes%20to%20Audit%20Committee%20per%20Local%2

[0Government%20and%20Elections%20\(Wales\)%20Act%202021.pdf](#)

18 March 2021 Draft Council Meeting Minutes:

<https://www.ceredigion.gov.uk/media/8975/cofnodion-ddrafft-18032021-saesneg-final.pdf>).