

Report to the Overview and Scrutiny Committee

Date of meeting: 29 January 2013



Report of: Constitution & Member Services SSP
Chairman: Councillor M Sartin
Subject: Audit and Governance Committee (AGC) – Portfolio Holder Assistants

Recommendations:

- (1) To note the results of the review after one year of arrangements under which Portfolio Holder Assistants may serve as members of the AGC;**
- (2) That no changes be made to Article 11 of the Constitution (Terms of Reference of the Audit and Governance Committee) at the present time; and**
- (3) That this issue be reviewed again as and when:**
 - (a) Portfolio Holder Assistants are appointed once more; or**
 - (b) the Government decides to introduce Statutory Audit Committees; or**
 - (c) the next review of Article 11 takes place.**

Report:

1. Introduction

- 1.1 At the Council meeting on 13 December 2011, the Committee reported on proposals to amend Article 11 of the Constitution which sets out the terms of reference of the AGC. Those amendments centred on the issue of whether a Portfolio Holder Assistant would be able to serve as one of the Councillor members of the Committee, or whether this was not a desirable situation in view of possible conflicts of interest.
- 1.2 The Council adopted a recommendation whereby Portfolio Holder Assistants, provided they are not involved in any Portfolio dealing with the Council's finances, could be eligible for appointment to the AGC. The Council directed that this arrangement should be reviewed after one year or if there were a substantial change either in the role of Portfolio Holder Assistants or in the AGC itself. In the latter case, the Council was mindful of the possibility of statutory Audit Committees being created by the Government.
- 1.3 We have now reviewed the position as requested. We noted that one Portfolio Holder Assistant served on the AGC until the Annual Council meeting in May 2012 but subsequently, the Leader of the Council decided not to create such positions for the current Council year. The ACG members have been consulted about whether they had any concerns about the arrangement. Two members commented, both stating

that there had not been any difficulties prior to May 2012. The benefits of having a Portfolio Holder Assistant as a member of the AGC was emphasised by one of these respondents as showing the importance of its Councillor members having knowledge, expertise or interest in the Audit function thereby assisting the Committee in its role.

- 1.4 We did not receive any adverse comments on this issue from officers and we feel that there are no grounds for changing the current arrangements. On the question of the proposal to create statutory Audit Committees, the Government's consultation on the latter is continuing.

2. Recommendations

- 2.1 We recommend as set out at the commencement of this report.