AUDIT COMMITTEE

Date of Meeting	Wednesday, 27 March 2019
Report Subject	Composition of Audit Committee
Report Author	Internal Audit Manager
Category	Advisory

EXECUTIVE SUMMARY

The current membership of the Audit Committee comprises seven Councillors and one lay member. All the political groups on the Council are represented with the exception of the New Independents Group.

In November 2018, the Audit Committee's Terms of Reference and Charter were presented to the Constitution and Democratic Services Committee for approval. During the meeting, a question was raised whether the membership of the Audit Committee should be increased. It was proposed a report would be brought to this meeting so that consideration could be given to this question.

RECOMMENDATIONS	
1	Committee to consider whether or not it wishes to recommend to Council, via the Council's Annual Meeting, a change in the current size of the Audit Committee.

REPORT DETAILS

1.00	EXPLAINING THE ACTION TRACKING REPORT
1.01	Section 82 of the Local Government (Wales) Measure 2011 and more recently the 2018 CIPFA Publication – Practical Guidance for Local Authorities requires that at least two thirds of the members of an Audit Committee must be Members of the authority. It also requires that at least one member of the Audit Committee is a lay member, however up to one-third of the Committee membership may be lay

	members. Within Flintshire, the composition has included one lay member per each period of Council. The Committee appointed the more recent lay member in 2017.
1.02	The contribution that both lay members (during each period of the Council) has made to the work of the Committee as a member and Vice Chair (in both appointments) has been highly valued and praised by successive Committee Chairs. The Committee may consider that this is as a result of being a lay member and a reason for having a further lay member should the Committee feel there is merit in increasing the size of the Committee.
1.03	The CIPFA Guidance 2018 make reference that "In the local authority sector where membership of the Committee is drawn from elected representatives, the depth of knowledge and experience that is desirable may be harder to achieve with a small number, however, there is a risk that creating a large committee will mean that it is harder to create the necessary focus. There is no consistency in the local government sector on the size of the committee".
1.04	Currently Flintshire County Council's Audit Committee has a membership of eight, including one lay member. Whilst the size of the Committee is less than the Council's Overview and Scrutiny Committees, the size of the Committee is a reflection of the work of the Committee is required to undertake. There has never been an issue with the Committee being quorum. In September 2018, the Committee assessed its own effectiveness and the subject of the Committee's size was discussed. At this point no action arose to seek to increase the size of the Committee at the Council's next Annual Meeting.
1.05	To provide some comparison, the composition of other local authorities Audit Committee varies between seven and eighteen members, which include between one and two lay members. Overall the size of the Committee should be appropriate to the tasks they are responsible for.
1.06	Should the Committee now feel there is a need to increase the size of the Committee, any proposed changes to the current size would require a recommendation to County Council, via the Annual Meeting. For an additional lay member, a transparent recruitment process would need to be undertaken.

2.00	RESOURCE IMPLICATIONS
2.01	Lay members are entitled to a payment of £128 per meeting due to the 'reasonable' amount of reading required.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	Members of the Audit Committee.

4.00	RISK MANAGEMENT
4.01	None as a result of this report.

5.00	APPENDICES
5.01	None

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None. **Contact Officer:** Lisa Brownbill, Internal Audit Manager **Telephone:** 01352 702231 **E-mail:** lisa.brownbill@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
7.01	None.