

<b>Title of Report:</b>	<b>Amendment to the Constitution - Changes to Terms of Reference of Governance and Audit and Standards Committees</b>
<b>Report to be considered by:</b>	Council
<b>Date of Meeting:</b>	03 March 2011
<b>Forward Plan Ref:</b>	C2195

**Purpose of Report:**

To amend the Terms of Reference for the Standards Committee and the Governance and Audit Committee in line with the recommendations of an Internal Audit of the management of the Council's Constitution.

**Recommended Action:**

1. The Terms of Reference of the Standards Committee be extended as set out in paragraph 2.1 and Appendix B to this report.
2. Part 7 of the Council's Constitution be amended as set out in paragraph 1.6 and 1.7 of this report.
3. Any further corresponding changes to references in the Constitution to the Governance and Audit Committee and the Standards Committee are delegated to the Monitoring Officer to amend (e.g. Part 1 Summary and Explanation).

**Reason for decision to be taken:**

To ensure that the Council has a Constitution that is in accordance with the statutory requirements and accords with good practice and has a process in place for effective management and maintenance of this document.

**Other options considered:  
Key background documentation:**

- None
- West Berkshire Council's Constitution - May 2007
  - Terms of Reference of the Governance and Audit Committee
  - Terms of Reference of the Standards Committee
  - Internal Audit's Final Report into the management of the Constitution February 2010
  - The Local Government Act 2000

The proposals will also help achieve the following Council Plan Theme:

**CPT14 - Effective People**

The proposals contained in this report will help to achieve the above Council Plan Priorities and Themes by:

Making the Council's decision making processes more effective and efficient

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<b>Date Portfolio Member agreed report:</b>	07 December 2010

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### Implications

<b>Policy:</b>	The proposals contained in this report accord with the Council's policy of regularly updating the Council's Constitution
<b>Financial:</b>	There are no financial implications associated with this report.
<b>Personnel:</b>	None
<b>Legal/Procurement:</b>	Amendments to the Constitution as set out in the report
<b>Property:</b>	None
<b>Risk Management:</b>	None
<b>Equalities Impact Assessment:</b>	Stage 1 EIA completed

<b>Is this item subject to call-in?</b>	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
If not subject to call-in please put a cross in the appropriate box:		
The item is due to be referred to Council for final approval		<input checked="" type="checkbox"/>

# Executive Summary

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## 1. Introduction

- 1.1 An Internal Audit of the management of the Constitution was undertaken in 2010 to ensure that the Council has established a constitution that is in accordance with statutory requirements/good practice and that there are processes in place to ensure the effective management and maintenance of the Constitution.
- 1.2 Four of the five recommendations within the Internal Audit Report have been implemented. The remaining recommendation required minor amendments to the Constitution relating to the Terms of Reference of the Standards Committee and the remit of both the Standards Committee and the Governance and Audit Committee primarily set out in Part 7 (Rules of Procedure for the Council's Regulatory Committees) of the Constitution.

## 2. Proposals

- 2.1 It is proposed that the Terms of Reference of the Standards Committee be extended to include:

**Recommending improvements to the relevant sections of the Constitution covering Councillor Conduct and ethical standards (see Appendix B);**

- 2.2 It is proposed that Part 7 of the Councils Constitution be amended as set out in paragraph 1.6 and 1.7 of this report.
- 2.3 It is proposed that any corresponding references to the Governance and Audit Committee and the Standards Committee be delegated to the Monitoring Officer to amend (e.g. Part 1 Summary and Explanation)

## 3. Conclusion

- 3.1 These amendments to the Constitution and Terms of Reference of the Standards Committee will assist the Council with ensuring that there are processes in place for the effective management and maintenance of the Constitution. Members are therefore asked to support the recommended action.

# Executive Report

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## 1. Introduction

1.1 The Local Government Act 2000 introduced a major change in the organisation of and decision making structures in local government. The Council adopted a new Constitution in 2001 and since that time has carried out a number of reviews to ensure that its decision making processes are as effective and efficient as possible.

1.2 An Internal Audit of the management of the Constitution was undertaken in 2010 to ensure that the Council had established a constitution that is in accordance with statutory requirements/good practice and that there are processes in place to ensure the effective management and maintenance of the Constitution.

1.3 The overall audit opinion was that controls within the system and procedures were satisfactory. Five recommendations were made to improve internal control which related to putting processes in place to review the Constitution annually and to clearly define responsibility for reviewing and amending the Constitution. Four of these recommendations have subsequently been implemented.

1.4 The remaining recommendations require that:

- Consideration is given to amending the Terms of Reference of the Standards Committee so that it has a role in reviewing proposed amendments to the Constitution where they relate to ethical standards for Councillors. (*The Terms of Reference of the Governance and Audit Committee already include the requirement to consider and make recommendations to the Council on proposed changes to the Constitution.*)
- The Constitution needs to be updated to reflect the role of the Governance and Audit Committee and Standards Committee in considering recommendations for changes of content prior to them being presented to full Council for approval.

1.5 Part 7 of the Council's Constitution sets out the Rules of Procedure for the Council's Regulatory Committees. It is proposed to amend the existing text relating to the Governance and Audit Committee (Paragraph 7.1.5) and insert the following text in relation to the Standards Committee into this section of the Constitution:

### 1.6 *Governance and Audit Committee*

The Governance and Audit Committee shall consist of 7 Members reflecting the political balance of the Council. The Council will delegate its work in relation to challenge and independent assurance on the Risk Management Framework and associated internal control to this Committee. ~~environment across the Council to Members and the public, independently of the Executive.~~

*(Insert)* The main roles of the Governance and Audit Committee are to challenge and provide independent assurance on the Risk Management Framework and associated internal controls of the Council, consider and make recommendations to the Council on proposed changes to the Constitution, review the Council's financial statements and review the external auditors annual audit letter.

### 1.7 *(insert) The Standards Committee*

The Standards Committee shall consist of 12 Members (three Independent Members, three Parish Council Representatives and six District Councillors). The composition of the District Councillors will not reflect the political balance of the Council. The Standards Committee will be chaired by an Independent Member.

The main role of the Standards Committee is to promote and maintain high standards of conduct throughout the Council. In addition it should promote, educate and support Councillors (both District and Parish) in following the highest standards of conduct and ensuring that those standards are fully owned locally.

The Standards Committee has established 3 sub-committees to deal with any complaints received in respect of District or Parish Councillors' behaviour.

The Standards Committee also has a role in considering and recommending improvements to the relevant sections of the Constitution covering the conduct of Councillors and ethical standards of the Council.

- 1.8 It will also be necessary to amend references to the Governance and Audit Committee and the Standards Committee in other part of the Constitution including Part 1 (Summary and Explanation) and that this should be delegated to the Monitoring Officer.

## 2. **Proposals**

- 2.1 It is proposed that the Terms of Reference of the Standards Committee be extended to include:

### **Recommending improvements to the relevant sections of the Constitution covering Councillor conduct and ethical standards (see Appendix B);**

- 2.2 It is proposed that Part 7 of the Council's Constitution be amended as set out in paragraphs 1.6 and 1.7 of this report.
- 2.3 It is proposed that any further corresponding changes to references in the Constitution to the Governance and Audit Committee and the Standards Committee be delegated to the Monitoring Officer to amend (e.g. Part 1 Summary and Explanation)

## **Appendices**

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Appendix A – Terms of Reference of the Governance and Audit Committee

Appendix B – Terms of Reference of the Standards Committee

## **Consultees**

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**Local Stakeholders:** Not consulted

**Officers Consulted:** David Holling, Andy Day

**Trade Union:** Not consulted