
Decision Maker: GENERAL PURPOSES AND LICENSING COMMITTEE

Date: 5 April 2022

Decision Type: Non-Urgent Non-Executive Non-Key

Title: MINOR CHANGES TO THE CONSTITUTION AND ESTABLISHMENT OF AN AUDIT AND RISK MANAGEMENT COMMITTEE

Contact Officer: Graham Walton, Democratic Services Manager
Tel: 0208 461 7743 E-mail: graham.walton@bromley.gov.uk

Chief Officer: Tasnim Shawkat, Director of Corporate Services and Governance

Ward: All

1. Reason for decision/report and options

- 1.1 This report seeks authority to make some minor changes to the Council's Constitution to ensure that it is up-to-date for the new Council to be elected in May 2022, and also proposes that Members enhance the status of the Audit Sub-Committee by replacing it with an Audit and Risk Management Committee.

2. **RECOMMENDATIONS**

Council be recommended that -

(1) Authority be given to the Director of Corporate Services and Governance to make minor changes to the Constitution to ensure that the wording is kept up to date, in particular in respect of the reduction in the number of Members after the 2022 local election and officer titles.

(2) That "(d) Probity Strategy," "(e) Audit" and "(g) Fraud Prevention" be removed from the terms of reference of the General Purposes and Licensing Committee and "External Audit and Annual Statements of Accounts" be added (with other items re-numbered) and an Audit and Risk Management Committee be set up in the new Council year to replace the Audit Sub-Committee, with the Terms of Reference set out in paragraph 3.2 in this report.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Not Applicable
-

Transformation Policy

1. Policy Status: Existing Policy:
 2. Making Bromley Even Better Priority
(5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
-

Financial

1. Cost of proposal: No Cost
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Democratic Representation
 4. Total current budget for this head: £1,094,730
 5. Source of funding: Revenue Budget
-

Personnel

1. Number of staff (current and additional): Not Applicable
 2. If from existing staff resources, number of staff hours: Not Applicable
-

Legal

1. Legal Requirement: Statutory Requirement:
 2. Call-in: Not Applicable: Non-executive decisions are not subject to call-in.
-

Procurement

1. Summary of Procurement Implications: Not Applicable
-

Property

1. Summary of Property Implications: Not Applicable
-

Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: Not Applicable
-

Customer Impact

1. Estimated number of users or customers (current and projected): Not Applicable
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments: Not Applicable

3. COMMENTARY

- 3.1 The new Council to be elected in May 2022 will see a reduction in the number of Members from 60 to 58. The number of Members is mentioned in the Constitution, which should be updated to reflect this. It is also recommended that the opportunity is taken to make other minor changes to keep the Constitution up to date. Most of the changes are to correct officer titles which have changed in recent years, especially the title of the Director of Corporate Services, who is now the Director of Corporate Services and Governance. A schedule of the changes in Parts 1 to 4 of the Constitution is attached as Appendix A. Any similar changes required in the Appendices to the Constitution will also be made.
- 3.2 In May 2021, the Council appointed a Pensions Committee reporting directly to Council in place of the former Pensions Investment Sub-Committee, which reported to General Purposes and Licensing Committee. Members of the Audit Sub-Committee have discussed a similar approach to their Sub-Committee - the appointment of an Audit and Risk Management Committee reporting direct to Council. If Members are minded to follow this approach the following terms of reference are proposed which are in line with CIPFA model terms of reference. Probity strategy, audit and fraud prevention will be removed from the General Purposes and Licensing Committee's terms of reference, but it is proposed that responsibility for External Audit and Annual Statements of Accounts will remain with General Purposes and Licensing Committee.

2.02 **Audit and Risk Management Committee** (Membership proportional, and to exclude any member of the Executive.)

- To approve the internal audit charter.
- To approve the risk-based internal audit plan.
- To consider reports from the Head of Audit and Assurance on internal audit performance and outcomes during the year, including key findings and actions and areas where management has accepted a level of risk that may be unacceptable to the Council or there are concerns about progress with the implementation of agreed actions.
- To consider the Head of Audit and Assurance's annual report and opinion.
- To have oversight of, and contribute towards, the Quality Assurance and Improvement Programme and in particular, to the external quality assessment of internal audit that takes place at least once every five years.
- To ensure the independence of Internal Audit, through making appropriate enquiries of both management and the Head of Audit and Assurance to determine if there are any inappropriate scope or resource limitations.
- To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Head of Audit and Assurance. To approve and periodically review safeguards to limit such impairments.
- To monitor the effective development and operation of Risk Management in the Council
- To monitor the Counter Fraud and Corruption strategy, actions and resources
- To monitor the effectiveness of Counter Fraud arrangements including assessment of fraud risks, actions and responses

- Seek assurances that action is being taken on risk related issues identified by auditors and inspectors.
- To review and approve the Annual Governance Statement, ensuring that this properly reflects the risk environment and any actions required to improve it.
- Ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is demonstrated and actively promoted.

3.3 The Chairman of Audit Sub-Committee currently receives a special responsibility allowance of £2,064pa and this will be applied to the Chairman of the new Committee. This is the same as the allowance paid to the Chairman of the Pensions Committee. Any change beyond this will require Council to make a formal change to the Members Allowances Scheme.

Non-Applicable Headings:	Impact on vulnerable adults and children/Policy/Finance/Personnel/Legal/Procurement/Property/Carbon Reduction/Customers/Ward councillors
Background Documents: (Access via Contact Officer)	LBB Constitution

Schedule of Changes to the Constitution (Parts 1 -4)

Section	Page	Amendment
Summary	6	<u>58</u> councillors
Summary	8	Director of Corporate Services <u>and Governance</u>
Article 2 – 2.01	13	<u>58</u> members ...Local Government <u>Boundary</u> Commission
Article 4 - 4.02	18	<u>Making Bromley Even Better</u>
Article 6 – 6.01	21	Executive, Resources <u>and Contracts</u>
Article 6 – 6.01	21	The Resources, <u>Commissioning and Contract Management</u> Portfolio
Article 6 – 6.03 (d)	23	PDS <u>committees</u>
Article 12 – 12.01	37	Director of Corporate Services <u>and Governance</u>
Article 12 – 12.01	38	Director of Children, <u>Education and Families</u>
Article 12 – 12.01	38	Director of Housing, Planning, <u>Property</u> and Regeneration
Article 12 – 12.01	38	Director of Human Resources, Customer Services <u>and Public Affairs</u>
Article 12 – 12.01	38	Director of Corporate Services <u>and Governance</u>
Article 14 – 14.03	45	Director of Corporate Services <u>and Governance</u>
Article 15 – 15.01/03	47	Director of Corporate Services <u>and Governance</u>
Article 16 – 16.03	50	Director of Corporate Services <u>and Governance</u>
Executive Portfolios	61	<u>Children, Education</u> and Families
Council Procedure Rules – 3.1 (iv)	71	Director of Corporate Services <u>and Governance</u>
Executive Procedure Rules	103	Director of Corporate Services <u>and Governance</u>
PDS Procedure Rules	108	Director of Corporate Services <u>and Governance</u>
PDS Procedure Rules	113	Director of Corporate Services <u>and Governance</u>