
NORTH WALES CORPORATE JOINT COMMITTEE

17 January, 2025

TITLE: Governance and Audit Sub-Committee

AUTHOR: Iwan Evans, Monitoring Officer

1. DECISION SOUGHT

- 1.1. To approve the appointment of the six nominated Councillors from each constituent Council as co-opted (voting) Members of the Governance and Audit Sub-Committee.
- 1.2. To approve the appointment of three lay members to be co-opted (voting) onto the Governance and Audit Sub-Committee.

2. REASON FOR THE DECISION

- 2.1. The CJC is required to establish a Governance and Audit Sub-Committee further to paragraph 16 of Schedule 1 of the North Wales Corporate Joint Committee Regulations 2021 (Establishment Regulations). The responsibility to appoint Members rests with the CJC.

3. BACKGROUND AND RELEVANT CONSIDERATIONS

- 3.1. The CJC must establish a Governance and Audit Sub-Committee. The Sub-Committee has the following functions as set out in the 2021 Regulations:
 - review and scrutinise the authority's financial affairs;
 - make reports and recommendations in relation to the authority's financial affairs;
 - review and assess the risk management, internal control, performance management and corporate governance arrangements of the authority;
 - make reports and recommendations to the authority on the adequacy and effectiveness of those arrangements;
 - review and assess the authority's ability to handle complaints effectively;
 - make reports and recommendations in relation to the authority's ability to handle complaints effectively;
 - oversee the authority's internal and external audit arrangements, and
 - review the financial statements prepared by the authority.
- 3.2. Consolidated statutory (and non-statutory) Guidance intended to support principal councils applies equally to the CJC. This Guidance states that to meet requirements under the Local Government Act 2000, the Local Government (Wales) Measure 2011 and the Local Government and Elections (Wales) Act 2021 the Welsh Government's view is that well-functioning governance and audit committees are critical to the effective governance of

councils (and CJs). They should be viewed positively by all council (CJ) members as part of the improvement and governance system. They also have an important role to play in improving strategic planning and facilitating both scrutiny and constructive challenge within the structures of a council. The Governance and Audit Sub-Committee will be a key component of the CJ's corporate governance.

- 3.3. The Sub-Committee has specific powers set out in the 2021 Regulations and reflected in their Terms of Reference to review and scrutinise the CJ's financial affairs, review and assess risk management, internal control, performance management and corporate governance arrangements. Without an appropriately constituted Governance and Audit Sub-Committee these functions cannot be exercised which are crucial to holding the CJ to account.
- 3.4. The CJ has adopted Standing Orders and the Terms of Reference for this Sub-Committee and agreed that there will be nine members of the Governance and Audit Sub-Committee, with six members from Constituent Councils, and three independent (lay) members, in accordance with the legislative requirements set out in the Establishment Regulations (para.16(2) 2021 Regs). Following a nomination exercise by the Councils it is for the CJ to formally appoint the members, who will all be co-opted onto the Sub-Committee.
- 3.5. Each Constituent Council was approached to ask that they undertake a nomination exercise to identify two Members to sit on the Sub-Committee, the primary lead member and a substitute. In addition, they were asked to nominate a lay member from each of their Governance and Audit Committees. In default of any lay nominations the CJ would be required to undertake a public external advertisement campaign. Lay members must be independent from the CJ and have no business connection with it, and whilst a knowledge of how local government was not deemed absolutely necessary it was expected that nominees would be interested in matters relating to the public sector and audit.
- 3.6. Member nominations are appointed for the period of their appointment on their Constituent Council Governance and Audit committees or Council, whichever is the lesser, or until the nominee's resignation. Lay members are appointed for 4 years, which may be renewed for one further 4 year period only, or until their resignation. All Members will be co-opted onto the Sub-Committee, will undertake training and be expected to attend formal meetings that will be held remotely. Further to Statutory Guidance the Sub-Committee must meet at least once a year as a minimum. The Chair of the Sub-Committee is to be decided upon by the Sub-Committee members themselves, however, the Chair must be a lay member. All Members have the right to speak and vote.
- 3.7. On 6 September 2024 the CJ approved an hourly rate be adopted in relation to the IRPW Determination for lay co-optees. This means that lay members will be able to claim remuneration in relation to their preparation and attendance at formal meetings of £29.75 per hour, up to 4 hours at £119, and over 4 hours the rate is £238. The Chair can claim £33.50 per hours, up to 4 hours at £134, and over 4 hours the rate is £268. This remuneration is payable by the CJ.
- 3.8. The following table sets out the nominations for appointment to be co-opted onto the CJ's Governance and Audit Sub-Committee, and the CJ is asked to approve the recommendation set out at paragraph 1 above:

| Governance & Audit sub-committee | | |
|----------------------------------|--|--------------------------|
| Council | Elected Membership | Lay Membership |
| Conwy | Cllr Gareth Jones Cllr Stephen Price (substitute) | (endorsed Nigel Rudd) |
| Denbighshire | Cllr Carol Holliday Cllr Bobby Feeley (subs) | Nigel Rudd |
| Flintshire | Cllr Andrew Parkhurst Cllr Ted Palmer (subs) | (no appointment) |
| Wrexham | Cllr Paul Rogers Cllr Trevor Bates (subs) | (endorsed Carys Edwards) |
| Gwynedd | Cllr Ioan Thomas Cllr Richard Glyn Roberts (subs) | Carys Edwards |
| Ynys Mon | Cllr Geraint Bebb Cllr Keith Roberts (subs) | Sharon Warnes |

APPENDICES:

Appendix 1: Template of co-option agreements for Council members, substitutes and lay members

STATUTORY OFFICERS RESPONSE:

i. Monitoring Officer:

Author of the report.

ii. Statutory Finance Officer:

“As noted in the report, the CJC has already approved the remuneration of lay members in a previous meeting. I have no objections to the decision sought.”