

Council Meeting
13 July 2010

REPORT OF THE ACTING DEMOCRATIC SERVICES MANAGER
AGENDA ITEM 5.3

5.3.1 SCHEME OF MEMBERS ALLOWANCES

Report to follow.

5.3.2 LEADER'S SCHEME OF DELEGATION – ASSISTANT CABINET MEMBERS

The Leader has advised the Acting Democratic Services Manager that she has removed the following Councillors from the list of Assistant Cabinet Members:

- Councillor Darrel Yawitch has been removed as Assistant Cabinet Member for Resources
- Councillor Brian Gordon has been removed as Assistant Cabinet Member for Policy and Performance.

RECOMMEND – That Council note the amendments to the Leader's scheme of Delegation.

5.3.3 JOINT HEALTH OVERVIEW & SCRUTINY COMMITTEE

Council is asked to establish a joint health overview and scrutiny committee with the London Boroughs of Camden, Enfield, Haringey and Islington to jointly engage with the NHS on the North Central London Service and Organisation Review and to respond, in due course, to the formal consultation thereon.

Council is asked to appoint two Councillors to this Joint Health Overview & Scrutiny Committee.

RECOMMEND –

- (1) That the Joint Health Overview & Scrutiny Committee with the London Boroughs of Camden, Enfield, Haringey and Islington be established.**
- (2) That two Councillors be appointed to this body.**
- (3) That the Health Overview & Scrutiny Committee be reserved the right to make its own representations on behalf of the London Borough of Barnet regarding any matter considered by the Joint Health Overview & Scrutiny Committee.**

5.3.4 MEMBERS IT AND TELEPHONY REVIEW PANEL

At the Annual Meeting of May 17th 2010, Council agreed that a member-led review should take place of the system of notional allowances for Members' IT, telephony and other equipment. Council is thus asked to establish a panel to:

- Review the operation of the current system of notional allowances for Members' IT and telephony and other equipment.
- Make recommendations to Council on the arrangements for future provision of IT, telephony and other equipment to Members.

It is proposed that the panel comprise of 7 Members (4 Conservative; 2 Labour and 1 Liberal Democrat) so as to reflect the representation on Council and for all political groups to be represented.

RECOMMEND – That Council establish and appoint to a Members' IT and Telephony Review Panel as outlined above.

5.3.5 CHANGES TO MEMBERSHIP OF OUTSIDE BODIES

The Conservative Group have nominated Councillor Graham Old to fill their vacancy on the Fostering Approvals Panel. Representatives on the Panel must be Members of the Council, one appointed from each of the main political parties.

The Liberal Democrat Group have advised the Acting Democratic Services Manager that Councillor Monroe Palmer has resigned as a member of the Barnet Homes Management Board. No nominations have been received from the Group to fill this vacancy.

RECOMMEND –

- (1) That Councillor Graham Old be appointed as a Council representative on the Fostering Approvals Panel.**
- (2) That Council note the above change to Barnet Homes Management Board membership.**

5.3.6 CHANGES TO MEMBERSHIP OF SCHOOL GOVERNING BODIES

Councillor Mark Shooter has resigned as a Local Authority Governor at Menorah Foundation School. The Conservative Group have nominated Councillor Dean Cohen to replace Councillor Shooter on this School Governing body.

RECOMMEND – That Councillor Dean Cohen be appointed as a Local Authority Governor at Menorah Foundation School.

5.3.7 APPOINTMENT OF INDEPENDENT MEMBERS TO THE AUDIT COMMITTEE

A separate report is appended informing the Council about the Independent Member recruitment exercise.

RECOMMEND –

- (1) That Council approves the appointment of Richard Harbord and Debra Lewis to be independent Members of the Audit Committee.**
- (2) The appointments will be for a fixed term of four years until May 2014, subject to annual re-appointment, which is approved by Council.**

5.3.8 AMMENDMENTS TO THE CONSTITUTION

As a consequence of the recent redesignation of third tier management posts within the Authority, the Head of Legal Services post has been renamed Assistant Director – Legal Services. The constitution thus requires updating to reflect this change.

RECOMMEND –

- (1) That the Constitution be amended to delete all reference to the post Head of Legal Services and replace with reference to the post Assistant Director – Legal Services.**
- (2) That the Acting Democratic Services Manager be instructed to make the appropriate amendments to the Council’s constitution.**

5.3.9 AMMENDMENTS TO ITEMS ON THE AGENDA

(i) Item 3.3 Motion in the name of Councillor Daniel Thomas

Amendment in the name of Councillor Susette Palmer

In the third paragraph, to delete ‘Conservative-led’ and to replace with ‘Coalition-led’ to read:

“Accordingly, Council welcomes the new limits on Housing Benefit payments due in 2011 from the Coalition-led Government...”

Under Standing Order Part 4, Section 1, 31.5: if my item is not dealt with by the end of the meeting I ask that it be voted upon at the Council meeting.

(ii) Item 3.4 Motion in the name of Councillor Lynne Hillan

Amendment in the name of Councillor Monroe Palmer

In the fourth paragraph, to delete 'Conservative-led' and to replace with 'Coalition-led' to read:

“Accordingly, Council welcomes the Emergency Budget from the Coalition-led Government...”

Under Standing Order Part 4, Section 1, 31.5: if my item is not dealt with by the end of the meeting I ask that it be voted upon at the Council meeting.

(iii) Item 4.1 Administration Policy Item in the name of Councillor Andrew Harper - Academies and Free Schools

Amendment in the name of Councillor Monroe Palmer

In the fifth paragraph, to delete 'Conservative-led' and to replace with 'Coalition-led' to read:

“Welcomes this innovative policy by the Coalition-led Government...”

Under Standing Order Part 4, Section 1, 31.5: if my item is not dealt with by the end of the meeting I ask that it be voted upon at the Council meeting.

6.1 COMMENTS ON THE WORK OF CABINET (Agenda Item 6.1)

Comment in the name of:

(i) Councillor Geof Cooke

To comment on Barnet's non-participation in the Open House programme.

(ii) Councillor Zakia Zubairi

To comment on the loss of HCA funding for housing projects in Barnet.

Aysen Giritli
Acting Democratic Services Manager

AGENDA ITEM: 5.3.7

Meeting	Council
Date	13 July 2010
Subject	Appointment of Independent Members to the Audit Committee
Report of Summary	Acting Democratic Services Manager This report informs the Council about the Independent Member recruitment exercise and seeks Council's approval for the appointment of two Independent Members to the Audit Committee.

Officer Contributors	Andrew Travers Deputy Chief Executive, Jeff Lustig, Director of Corporate Governance (Monitoring Officer), Richard King Interim Assistant Director Audit and Risk
Status (public or exempt)	Public
Wards affected	All
Enclosures	None
For decision by	Audit Committee
Function of	Council
Reason for urgency / exemption from call-in (if appropriate)	Not applicable

Contact for further information: Richard King Interim Assistant Director Audit and Risk
02083593167. richard.king@barnet.gov.uk

1. RECOMMENDATIONS

- 1.1 That Council approves the appointment of Richard Harbord and Debra Lewis to be Independent Members of the Audit Committee.**
- 1.2 The appointments will be for a fixed term of four years until May 2014, subject to annual re-appointment, which is approved by Council.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 16 December 2009 – The Audit Committee approved a recommendation for the membership of the Audit Committee to be extended to include two independent non-voting members to enhance the performance of the Committee.

15 February 2010 – The Special Committee (Constitution Review) agreed to recommend to Council that the Constitution be amended to provide for the membership of the Audit Committee to include two independent members with a period of appointment of four years co-terminus with Council.

- 2.2 2 March 2010 - Council resolved that the Constitution be amended to provide for the membership of the Audit Committee to include two independent members with a period of appointment of four years co-terminus with Council.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 Under the Council's Corporate Plan for 2009/10, one of the corporate priorities is 'More Choice, Better Value' and a key objective within this priority is 'enhancing and further developing corporate governance'. The information in this report relates to the corporate governance arrangements around the Audit Committee and its operation. The Audit Committee has a vital role in the corporate governance of the Council.

4. RISK MANAGEMENT ISSUES

- 4.1 The decisions made to appoint Independent Members of the Audit Committee recognises the additional skills and experiences that such appointments can bring to the overall governance of the Council. Fixed terms of office for Independent Members and possible re-appointment aim to achieve a balance between retaining experienced Members and facilitating opportunities for other residents to apply for a position. There is a risk that if an Independent Member becomes associated with the Council for an extended period they may lose their independence, or be perceived to have done so. However, there can be significant benefit to the Council from experienced Independent Members.
- 4.2 It is important to ensure that Independent Members are persons of impartiality and in whom the public can have confidence. The Council is entitled to set an eligibility criteria that is designed to ensure the impartiality and perceived impartiality of the Independent Members of the Audit Committee.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 The nominees were selected on merit from amongst those who applied and met the appointment criteria. However, insofar as this was possible within the cohort

of applicants, we were mindful of the importance of the Audit Committee membership reflecting the diversity of the Borough.

6. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

- 6.1 There are no financial, staffing, ICT or property implications directly arising from this report.

7. LEGAL ISSUES

- 7.1 The full Council appoints Members to its Committees, including the Independent Members of the Audit Committee. Advertisements for these positions were placed in the Financial Times, the Local Government Chronicle, the Barnet Press and the Barnet on-line website.
- 7.2 The appointments recommended in this report have been made following interviews conducted by the Deputy Chief Executive and the Director of Corporate Governance and Monitoring Officer. This process of Senior Officers conducting interviews and making recommendations to the Council reconciles with the need for selection through a transparent and accountable recruitment process with appointment by the Council. It is also consistent with previous Council practice.
- 7.3 The Barnet specific recruitment pack was compiled in accordance with best practice. The “Barnet pack” stipulates that a person is ineligible to be appointed as an Independent Member of the Audit Committee if he or she;
- a) is now, or has been during the last five years, a Councillor or employee of the London Borough of Barnet; or
 - b) is closely associated with anyone who is now, or has been in the last five years, a Councillor or employee of the London Borough of Barnet; or
 - c) is, or has been during the last five years, an active member of any political party; or
 - d) has, or has had in the last five years, a public profile in relation to political activities; including having been involved, in a lead or prominent role, in a significant contentious issue involving the Council.

8. CONSTITUTIONAL POWERS

- 8.1 Article 8.01 – The Council will appoint the committees set out in the left hand column of the table Responsibility for Council Functions in Part 3 of this Constitution
- 8.2 Part 3 of the Constitution - Responsibility for Council Functions - Audit Committee

Statement of Purpose: The purpose of an Audit Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority’s financial and non-financial performance to the extent that it affects the authority’s exposure to risk and weakens the control environment, and to oversee the financial reporting process.

Membership: The proportionality rules apply to the membership of this Committee, which should comprise between 5 and 7 Members. The membership should also include two independent, non-voting members with a period of appointment of four years, co-terminus with Council.

9. BACKGROUND INFORMATION

- 9.1 At the Audit Committee of 16 December 2009, Members agreed that two independent non-voting members should be appointed to the Committee and a report to that effect should be taken by officers to the next meeting of the Special Committee (Constitution Review) with a view to seeking Council approval to the necessary changes to the Audit Committee's membership as set out in the Constitution.
- 9.2 The Special Committee (Constitution Review) at the meeting on 15 February 2010 recommended that the Council make the necessary changes to the Audit Committee's membership in the Constitution.
- 9.3 Council on 2 March 2010, resolved that the Constitution be amended to provide for the membership of the Audit Committee to include two independent members with a period of appointment of four years co-terminus with Council.
- 9.4 The Deputy Chief Executive and the Director of Corporate Governance and Monitoring Officer interviewed four candidates and, on assessment, concluded that the two candidates, whose details are as set out in paragraphs 9.4 and 9.5 below, would most suitably meet the Council's requirements for independent members to serve on the Council's Audit Committee
- 9.5 Richard Harbord is a member of The Chartered Institute of Public Finance and Accountancy (CIPFA) and a Fellow of The Association of Chartered Certified Accountants (ACCA). He has extensive senior local authority finance and governance experience having held both finance and chief executive positions. He is a member of the CIPFA Council, 2003 to date, has significant past experience of a number of audit committees and is currently an independent member of Ofsted's Audit Committee.
- 9.6 Debra Lewis is a Fellow of the Institute of Chartered Accountants England and Wales (ICAEW) and also holds a law degree. She qualified as an accountant with one of the "Big Four" private sector accountancy firms. She has recently retired from Rothchilds Bank after many years senior employment but continues to sit as an independent member of the Bank's Credit Committee. She has gained extensive committee and governance experience whilst employed at the Bank, chairing its Credit Committee, being a member of the Operational Risk Committee, the Banking Management Committee and, for several years, the Assets and Liabilities Committee.

10. LIST OF BACKGROUND PAPERS

- 10.1 None.

Legal: JEL

Finance: AT