

Committee:	Date:
Audit & Risk Management Committee (For Decision)	4 March 2014
Subject:	Public
Position of the Deputy Chairman and Other Constitutional Issues	
Report of:	For Decision
The Town Clerk and the Chamberlain	

Summary

This report has been prepared in response to a request from Members to review the restriction placed on the Deputy Chairman prohibiting them from becoming the Chairman of another committee. This is based on the premise that the knowledge and experience these members might bring to other committees could outweigh any potential conflict of interest. Whilst it is open to the Committee to recommend to the Court the removal of the present restriction, we are not proposing that course of action when taking into account the principles of current CIPFA guidance.

The report is also seeking views on whether the Committee's Chairman when serving on other Committees, should abstain from taking decisions (including voting) when he or she may possibly have to chair the Committee responsible for scrutinising or challenging them.

Finally, views are being sought on whether there should be an increase in the number of Members of the Common Council elected to the Committee.

Recommendations:

- 1) That current arrangement whereby the Deputy Chairman of the Audit & Risk Management Committee for the time being is not able to be a Chairman of another Committee be retained;
- 2) That the views of Members be sought on whether the Committee's Chairman, when serving on other committees and actively participating in the discussions in those committees should abstain from the decision taking (including voting); and
- 3) That the views of Members be sought on whether the number of Members elected by the Common Council should be increased and, if so, by how many.

Main Report

Background

1. At your meeting in December 2013 reference was made to revisiting the rule about the Committee's Deputy Chairman not being able to become chairman of any City Corporation Committee, given that Committee Members could also be Chairmen of other Committees. It was suggested that the knowledge and experience these members might bring to other committees could outweigh any potential conflict of interest. In the light of this, officers have reviewed the position of the Deputy Chairman and more generally, the Committee's constitution.

Current Position

2. The Audit & Risk Management Committee is a non-Ward Committee comprising of:

- Nine Members elected by the Court of Common Council* at least one of whom shall have fewer than five years' service on the Court at the time of their appointment
- Three external representatives (ie: non-Members of the Court of Common Council with no voting rights)
- The Chairman and Deputy Chairman of the Finance Committee (ex-officio with no voting rights)
- A representative of the Policy & Resources Committee (ex-officio with no voting rights)

* The Chairmen of the Policy & Resources, Finance and Investment Committees are not eligible for election to the Committee and the Deputy Chairman of the Audit & Risk Management Committee for the time being may not be a Chairman of another Committee.

The Position of the Deputy Chairman

3. The restriction on the part of the Committee's Deputy Chairman not being able to become Chairman of another Committee was introduced to avoid the potential for conflicts of interest. However, bearing in mind that such a restriction on the part of the Deputy Chairman is discretionary, Members asked for the position to be reviewed on the basis that the knowledge and experience these members might bring to other committees could outweigh any potential conflict.

4. Whilst it would be open to your Committee to recommend to the Court that a change be made, your officers are of the view that the current arrangements should remain in place for two reasons:

- a) the Deputy Chairman may be required to deputise for the Chairman and their being chairman of another committee could result in a conflict of interest; and
- b) CIPFA guidance places an emphasis on reducing the number of Members on an authority's audit committee who have executive responsibility. The City does not have members with executive responsibility, but there is an argument

that chairmen of committees are able to influence outcomes and decisions (particularly urgent or delegated actions).

The Position of the Chairman on other Committees

5. We have also looked at the position of the Chairman of the Audit & Risk Management Committee. An issue to be considered is whether the Committee's Chairman, when serving on other committees and actively participating in the discussions in those committees should, however, abstain from the decision taking (including voting) when he or she may possibly have to chair the Committee responsible for scrutinising or challenging them.

6. This could be achieved by the Committee requesting that its Chairman should abstain from participating in the decision-taking when serving on other Committees and the Chairman voluntarily agreeing to do so. A protocol of this nature would not require any formal change in the Committee's constitution. Alternatively, such an arrangement could be formalised by the Court.

Increasing the number of Common Council Members on the Committee

7. There are currently nine Members of the Common Council elected to the Committee of which five were either Chairmen or Deputy Chairmen of other Committees (as at the date of the Committee's meeting in January 2014). Members may wish to consider whether the number of elected by the Common Council should be increased which, whilst not guaranteeing such an outcome, could result in there being fewer Members on the Committee who are Chairmen (or indeed Deputy Chairman) of other Committees. This would accord with the principles of the CIPFA guidance referred to in paragraph 4 b) above. This would also be likely to enhance the pool of individuals eligible to become Chairman or Deputy Chairman.

8. One way of achieving this would be to increase the number of Members on the Committee in the category of having fewer than 5 years' service on the Court. However it should be noted that an increase in the number of elected Members of the Common Council could dilute the influence of the three external members.

9. Another option would be to introduce a number of places on the Committee from within the existing nine elected Members of the Common Council where the incumbent would be prohibited from being the Chairman (or possibly the Deputy Chairman) of another Committee. However, in practice this would be difficult to achieve, may result in the exclusion of Members with knowledge and experience to the detriment of the Committee and possibly the resignation from the Committee of Members should they wish to pursue their civic careers.

Corporate & Strategic Implications

10. This report addresses matters relating to the constitution of the Committee and there are no specific corporate or strategic implications.

Conclusion

11. This report has been prepared in response to a request from Members to review the restriction placed on the Deputy Chairman prohibiting that post-holder from becoming the Chairman of another committee. Whilst it is open to the Committee to recommend to the Court the removal of the present arrangement, we are not proposing that course of action when taking into account the principles contained in current CIPFA guidance. The report is also seeking views on whether the Committee's Chairman when serving on other Committees, should abstain from taking decisions (including voting) when he or she may possibly have to chair the Committee responsible for scrutinising or challenging them. Finally, views are being sought on whether there should be an increase in the number of Members of the Common Council elected to the Committee.

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