

Report of	Meeting	Date
Monitoring Officer	Council	17 July 2012

AMENDMENT TO THE CONSTITUTION

PURPOSE OF REPORT

- To seek approval of consequential amendments to the Councils Constitution as a result of the decision to merge Audit Committee and Standards Committee and the changes to the Standards Regime.

RECOMMENDATION(S)

- That the amendments detailed in the body of the report be approved.

EXECUTIVE SUMMARY OF REPORT

- At the Council's Annual Meeting it was agreed that due to the impending changes to the Standards Regime the Council's Audit and Standards Committee should be merged to form a Governance Committee. This would fulfil the duties of Audit Committee and in addition take on the functions of receiving and hearing investigations into standards complaints.
- The impact of these changes needs to be incorporated into the Councils Constitution to reflect changes to the Committees terms of reference and to the Council's Code of Conduct.

Confidential report Please bold as appropriate	Yes	No

CORPORATE PRIORITIES

- This report relates to the following Strategic Objectives:

Strong Family Support		Education and Jobs	
Being Healthy		Pride in Quality Homes and Clean Neighbourhoods	
Safe Respectful Communities		Quality Community Services and Spaces	
Vibrant Local Economy		Thriving Town Centre, Local Attractions and Villages	
A Council that is a consistently Top Performing Organisation and Delivers Excellent Value for Money			X

BACKGROUND

- Pursuant to the Localism Act the Council are obliged to adopt a new code of conduct for members. As a result of the removal of a national standards regime and the reduction of duties for the Standards Committee, Chorley Council decided to merge the Audit and Standards Committee to create a Governance Committee.

7. This change to our Committee structure requires an amendment to our Constitution as does the adoption of the new Code of Conduct. The introduction of a new code and standards regime is the subject of another report on the Council agenda.
8. The Council's Constitution will be amended on approval of the new code and the adoption of revised terms of reference for the Governance Committee. The majority of amendments are simply consequential changes as a result of the new standards regime. However, the significant changes are as follows:-

PART 2 SECTION 9

9. This section relating to the operation of the Standards Committee is being deleted. It will not be replaced however, the Council will adopt a Procedure for the Processing of Standards Complaints which will serve the same purpose.

APPENDIX 2 PAGE 14

10. The Terms of Reference for Governance Committee have been amended to include responsibility for reviewing and updating the Code of Conduct and Procedure for Processing of Complaints; to receive and hear investigated complaints; to receive and hear appeals; and to report to Council any sanctions imposed on breaches. Revised terms of reference are attached as Appendix 1 to this report.

APPENDIX 6

11. Will be deleted in its entirety and replaced with the new Code of Conduct for Members adopted at this meeting.

IMPLICATIONS OF REPORT

12. This report has implications in the following areas and the relevant Directors' comments are included:

Finance		Customer Services	
Human Resources		Equality and Diversity	
Legal	X	Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

COMMENTS OF THE STATUTORY FINANCE OFFICER

13. There are no financial implications.

COMMENTS OF THE MONITORING OFFICER

14. The amendments are required to give effect to the changes to the Council caused by the merging of the Audit and Standards Committees and adoption of a new Code of Conduct for Members.

**CHRIS MOISTER
MONITORING OFFICER**

Report Author	Ext	Date	Doc ID
Chris Moister	5160	June 2012	

TERMS OF REFERENCE for GOVERNANCE COMMITTEE

MEMBERSHIP

Members of the Executive shall not be eligible to be appointed to the Governance Committee and the Chair and Vice Chair of the Overview and Scrutiny Committee shall not be eligible to be Chair or Vice Chair of the Governance Committee.

Part B – Council Functions which the Council has delegated to a Committee of the Council under Section 101 of the Local Government Act 1972.

AUDIT ACTIVITY

To consider the Head of Internal Audit's Annual Report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.

To consider summaries of specific internal audit reports as requested.

To consider reports dealing with the management and performance of the providers of internal audit services.

To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.

To consider the external auditor's annual audit letter, relevant reports and the report to those charged with governance.

To consider specific reports as agreed with the external auditor.

To comment on the scope and depth of external audit work and to ensure it gives value for money.

To liaise with the Audit Commission over the appointment of the council's external auditor.

To commission work from the internal and external audit.

REGULATORY FRAMEWORK

To maintain an overview of the Council's constitution in respect of contract procedure rules, financial regulations and codes of conduct and behaviour.

To review any issue referred to it by the Chief Executive or a Director, or any council body.

To monitor the effective development and operation of risk management and corporate governance in the Council.

To monitor Council policies on 'raising concerns at work' and the anti-fraud and corruption strategy and the Council's complaints process.

To oversee the production of the authority's Statement on Internal Control and to recommend its adoption,

To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.

To consider the Council's compliance with its own and other published standards and controls.

(a) To approve the annual statement accounts and report of this Council (with delegated power). To review the annual statement of accounts. Specifically to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.

(b) To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

STANDARDS

To review and recommend amendments to the Council's Code of Conduct for Members and procedure for dealing with complaints.

To receive and hear and make decisions on standards complaints following investigation.

To hear appeals against decisions made at a hearing of a standards complaint.

To report sanctions imposed on Members to full Council.