

Audit, Governance and Standards Committee

Saturday 13 May 2017
12.45 pm

(or at the rise of Planning Committee, whichever is the later)
Southwark Cathedral, Montague Close, London Bridge, SE1 9DA

Membership

Councillor Paul Fleming (Chair)
Councillor James Barber (Vice-Chair)
Councillor Catherine Dale
Councillor Nick Dolezal
Councillor Renata Hamvas
Councillor Hamish McCallum
Councillor Andy Simmons

Reserves

Councillor Evelyn Akoto
Councillor Dora Dixon-Fyle MBE
Councillor Karl Eastham
Councillor David Hubber
Councillor Sarah King
Councillor Rosie Shimell
Councillor Cleo Soanes

Membership to be confirmed at annual council assembly on 13 May 2017

INFORMATION FOR MEMBERS OF THE PUBLIC

Access to information

You have the right to request to inspect copies of minutes and reports on this agenda as well as the background documents used in the preparation of these reports.

Babysitting/Carers allowances

If you are a resident of the borough and have paid someone to look after your children, an elderly dependant or a dependant with disabilities so that you could attend this meeting, you may claim an allowance from the council. Please collect a claim form at the meeting.

Access

The council is committed to making its meetings accessible. Further details on building access, translation, provision of signers etc for this meeting are on the council's web site: www.southwark.gov.uk or please contact the person below.

Contact

Victoria Foreman on 020 7525 5485 or email: victoria.foreman@southwark.gov.uk

Members of the committee are summoned to attend this meeting

Eleanor Kelly
Chief Executive
Date: 5 May 2017



Audit, Governance and Standards Committee

Saturday 13 May 2017
12.45 pm

Southwark Cathedral, Montague Close, London Bridge, SE1 9DA

Order of Business

Item No.	Title	Page No.
	PART A - OPEN BUSINESS	
1.	APOLOGIES FOR ABSENCE	
	To receive any apologies for absence.	
2.	CONFIRMATION OF VOTING MEMBERS	
	A representative of each political group will confirm the voting members of the committee.	
3.	NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT	
	In special circumstances, an item of business may be added to an agenda within five clear days of the meeting.	
4.	DISCLOSURE OF INTERESTS AND DISPENSATIONS	
	Members to declare any personal interests and dispensation in respect of any item of business to be considered at this meeting.	
5.	ESTABLISHMENT OF SUB-COMMITTEES FOR 2017-18	1 - 8
	ANY OTHER OPEN BUSINESS AS NOTIFIED AT THE START OF THE MEETING AND ACCEPTED BY THE CHAIR AS URGENT	

Item No.

Title

Page No.

EXCLUSION OF PRESS AND PUBLIC

The following motion should be moved, seconded and approved if the sub-committee wishes to exclude the press and public to deal with reports revealing exempt information:

“That the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 1-7, Access to Information Procedure rules of the Constitution.”

Date: 5 May 2017

Item No. 5.	Classification: Open	Date: 13 May 2017	Meeting Name: Audit, Governance and Standards Committee
Report title:		Establishment of Sub-Committees for 2017-18	
Ward(s) or groups affected:		All	
From:		Proper Constitutional Officer	

RECOMMENDATIONS

1. To note the size and composition of the audit, governance and standards committee, as agreed by annual council assembly on 13 May 2017 and the roles and functions of the audit, governance and standards committee and its sub-committees (see Appendix 1).
2. To establish a civic awards sub-committee with the size and composition as set out in paragraph 10 of this report.
3. To establish a conduct sub-committee to consider complaints of misconduct against councillors (and co-opted members) as set out in paragraph 12 of this report.
4. To appoint a chair and vice-chair of the civic awards sub-committee.

BACKGROUND INFORMATION

5. This report is presented to the audit, governance and standards committee in accordance with Part 3K, paragraph 37 of the constitution, which requires the audit, governance and standards committee to establish the following sub-committees:
 - to consider complaints of misconduct against elected councillors and co-opted members
 - to consider civic awards.
6. Council assembly on 16 March 2016 resolved, following the amalgamation of the roles and functions of the former standards committee into the new audit, governance and standards committee, to retain the existing two standards sub-committees - civic awards sub-committee (for considering civic award nominations) and conduct sub-committee (for considering any complaints against members). The audit, governance and standards committee was established by the annual meeting on 14 May 2016 and maintained its structure in 2017-18 at the annual meeting of 13 May 2017.

KEY ISSUES FOR CONSIDERATION

Proportionality

7. Seats on committees and sub-committees must be allocated in accordance with the four principles of proportionality contained in sections 15, 16 and 17 of the Local Government and Housing Act 1989. When making appointments, committees (in

appointing sub-committees) have a duty to give effect to the following principles, as far as is reasonably practicable:

- (i) That not all the seats on a committee or sub-committee are allocated to the same political group.
- (ii) That the majority group must have the majority of seats on each committee or sub-committee.
- (iii) Subject to (i) and (ii) above, it must be ensured that the proportion of each political group's seats of the total number of seats on 'ordinary committees' reflects as closely as possible their proportion of seats on full council.
- (iv) Subject to (i) to (iii) above, the proportion of each political group's seats on each committee and sub-committee reflects as closely as possible their proportion of seats on full council.

Note: This rule applies to all committees, sub-committees and joint committees, except for licensing committee and community councils.

8. Sub-committees are not 'ordinary' committees and are each considered individually for the purposes of proportionality. So far as it is reasonably practicable to do so, the allocation of seats a sub-committee should bear the same proportion to the number of the seats held by that group on the council. The audit, governance and standards committee can agree an allocation that is disproportionate, provided no member votes against this.
9. The most proportionate allocation will depend on the number of members of the sub-committee. The following sub-committee sizes would provide the following allocation of places:

Size of sub-committee	Labour	Liberal Democrats	Conservative
Seven seats	5	2	0
Six seats	5	1	0
Five seats	4	1	0
Four seats	3	1	0
Three seats	2	1	0

Membership of the civic awards sub-committee

10. In 2016-17, the membership of the civic awards sub-committee included the following set out below. It is recommended that the same sub-committee arrangements are made for 2017-18. It is also recommended that the non-voting co-opted members set out below continue to serve on the sub-committee in 2017-18.
 - (1) Three Labour and one Liberal Democrat members.
 - (2) Ms Anne Wolfe, Ms Jacky Bourke-White, Mr Emmanuel Kwakye and Mr Gordon McCullough as non-voting co-opted members, representing the community, the Southwark Civic Association and local charities.

11. The committee is invited to appoint a chair and vice-chair for the sub-committee.

Membership of the conduct sub-committee

12. The membership for each sub-committee will be drawn from the pool of councillors on the committee, including reserve members. Sub-committees to consider complaints of misconduct shall be composed of three members. It is recommended that normally sub-committees are comprised of two Labour and one Liberal Democrat members (and two reserve members). Conduct sub-committees have a quorum of three members. An allocation process similar to that used in previous years would be used:
 - (1) The allocation system has two objectives, firstly to ensure quorate meetings and second, to ensure all members have an equal opportunity to serve on sub-committees.
 - (2) The constitutional officer will send out an email to the whips of the political groups informing them of when a meeting is due to take place. The whips then arrange for their group members who sit on the audit, governance and standards committee to volunteer for the sub-committee. This means that confidentiality is more likely to be maintained.

Each conduct sub-committee shall appoint a chair as its first item of business.

Appointments to sub-committees

13. Section 16 (1) of the Local Government and Housing Act 1989 provides that it is the duty of the authority or committee to exercise their power to make appointments to a body as to give effect 'to such wishes about who is to be appointed to the seats on that body which are allocated to a particular political group as are expressed by that group'.
14. There is no requirement that a seat allocated to a particular group can only be filled by a member of that group. Therefore groups have the discretion to allocate seats as they wish, including to a member of another group.

Community impact statement

15. The constitution enables people, including the local community where relevant, to understand the role that they can play in the decision making of the council and how the council will safeguard high standards of conduct amongst members and officers.
16. The civic awards sub-committee is intended to have a positive community impact by improving the administration and in particular the equalities monitoring of the civic awards scheme.

Resource implications

17. There are no specific budget implications.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Council assembly agenda dated 16 March 2016 http://moderngov.southwark.gov.uk/ie/ListDocuments.aspx?CId=132&MId=5068&Ver=4	Constitutional Team 160 Tooley Street London SE1 2QH	Chidilim Agada Principal Constitutional Officer 020 7525 3310
Annual council assembly agenda 13 May 2017		

APPENDICES

No.	Title
Appendix 1	Audit, governance and standards committee and sub-committees - Roles and functions
Appendix 2	Nominations for chairs and vice chairs

AUDIT TRAIL

Lead Officer	Chidilim Agada, Constitutional Manager	
Report Author	Virginia Wynn-Jones, Principal Constitutional Officer	
Version	Final	
Dated	5 May 2017	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Democracy	No	No
Strategic Director of Finance and Governance	No	No
Cabinet Member	Not applicable	Not applicable
Date final report sent to Constitutional Team	5 May 2017	

PART 3K: AUDIT, GOVERNANCE AND STANDARDS COMMITTEE

ROLE AND FUNCTIONS**Introduction**

The purpose of the audit, governance and standards committee is to provide:

1. Independent assurance of the adequacy of the council's governance arrangements, including its standards regime, the risk management framework and the associated control environment.
2. 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.
3. Oversight of the financial reporting process.
4. Scrutiny of the treasury management strategy and policies.
5. A framework to promote and maintain high standards of conduct by councillors, co-opted members and church and parent governor representatives.

Audit activity

6. To approve the internal audit charter
7. To approve the risk based internal audit plan, including resource requirements.
8. To approve any significant proposed advisory services, additional to those included in the audit plan.
9. To receive information on the appointment, departure, resignation or change in chief audit executive.
10. To receive in-year summaries of internal audit and anti-fraud activity and the internal audit annual report and opinion and to consider the level of assurance it can give over the council's corporate governance arrangements.
11. To receive reports dealing with the management and performance of the provider of internal audit services, including the performance of the chief audit executive.
12. To receive reports from internal audit on agreed recommendations not implemented within a reasonable timescale.
13. To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.
14. To consider specific reports as agreed with the external auditor.

15. To comment on the scope and depth of external audit work and to ensure it gives value for money.
16. To have oversight over the appointment of the external auditor.
17. To commission work from internal and external audit.

Accounts

18. To review and approve the annual statement of accounts and specifically to consider compliance with appropriate accounting policies and whether there are any concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.
19. To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

Treasury management

20. To review and scrutinise the treasury management strategy and policies.

Governance activity

21. To review any issue referred to it by the chief executive or a strategic director, or any council body.
22. To monitor the effective development and operation of risk management in the council.
23. To monitor the effective development and operation of corporate governance in the council and to agree actions necessary to ensure compliance with best practice.
24. To monitor council policies on 'whistle-blowing', the 'corporate anti-fraud strategy' and the council's complaints processes.
25. To receive reports from the statutory officers under the council's whistle blowing policy.
26. To provide strategic oversight on the use of the powers regulated by the Regulation of Investigatory Powers Act 2000 and to receive in-year reports on operational use.
27. To oversee the production of and agree the council's annual governance statement.
28. To review the council's compliance with its own and other published standards and controls.
29. To receive reports on retrospective contract related decisions as set out in contract standing orders.
30. To receive reports from the monitoring officer on any serious breach of the contract standing orders or procurement guidelines.

Standards activity

31. To advise the council on the adoption or revision of the members' code of conduct, the member and officer protocol and the communication protocol.
32. To monitor the operation of the members' code of conduct, the member and officer protocol and the communication protocol.
33. To monitor and advise on training provided for councillors, co-opted members and church and parent governor representatives.
34. To deal with any standards related complaints referred to it and any report from the monitoring officer on any matter which is referred to him or her.
35. To receive reports from the monitoring officer on unlawful expenditure and probity issues.
36. To consider the withholding of allowances from individual members (including elected members and co-opted members) in whole or in part for non-attendance at meetings, or, for elected members only, for failure to attend required training.
37. To establish the following sub-committees:
 - to consider complaints of misconduct against elected councillors and co-opted members
 - to consider civic awards.

Annual report

38. To report annually to all councillors on its work and performance during the year.

MATTERS RESERVED FOR DECISION

Matters reserved for decision by the main committee

39. The matters reserved for decision to the committee are as set out in the role and functions, other than those functions delegated to the relevant sub-committee.

Matters reserved for decision by the conduct sub-committee

40. To consider complaints of misconduct against elected councillors and co-opted members.

Matters reserved for decision by the civic awards sub-committee

41. To grant civic awards.
42. To consider the process by which the decisions with respect to civic awards applications are to be taken and to make recommendations to the standards committee.
43. To appoint non-voting co-opted members.

SOUTHWARK COUNCIL
AUDIT, GOVERNANCE AND STANDARDS COMMITTEE
SATURDAY 13 MAY 2017

**NOMINATIONS FOR CHAIRS AND VICE-CHAIRS OF AUDIT, GOVERNANCE AND
STANDARDS SUB-COMMITTEES 2017-18**

1. AUDIT, GOVERNANCE AND STANDARDS (CIVIC AWARDS) SUB-COMMITTEE

Election of Chair

Labour Nomination

Councillor Catherine Dale

Liberal Democrat Nomination

Election of Vice-Chair

Labour Nomination

Liberal Democrat Nomination

Councillor James Barber

**DISTRIBUTION LIST (OPEN)
MUNICIPAL YEAR 2017/18**

NOTE: Original held by Constitutional Team; all amendments/queries to Virginia Wynn-Jones Tel: 020 7525 7055

ONE COPY TO ALL UNLESS OTHERWISE STATED	Copies	To	Copies
Councillors (1 each)	42	Officers	
		Eleanor Kelly	1
Electronic Versions (No hard copy)		Duncan Whitfield	1
Councillor Evelyn Akoto		Doreen Forrester-Brown	1
Councillor Anood Al-Samerai		Chidilim Agada	1
Councillor Maisie Anderson			
Councillor James Barber		Constitutional Team	7
Councillor James Coldwell		(Copies to Virginia Wynn-Jones, 2 nd	
Councillor Fiona Colley		Floor, Hub 2, Tooley Street)	
Councillor Stephanie Cryan			
Councillor Catherine Dale			
Councillor Karl Eastham			
Councillor Gavin Edwards			
Councillor Jon Hartley			
Councillor David Hubber			
Councillor Samantha Jury-Dada			
Councillor Sarah King			
Councillor Rebecca Lury			
Councillor Johnson Situ			
Councillor Michael Situ			
Councillor Bill Williams			
Councillor Kieron Williams			
Councillor Mark Williams			
Councillor Ian Wingfield			
Group Offices			
Eleanor Law, Labour Group Office	1		
Jack Chesterman, Liberal Democrat Group Office	1		
		Total:	55
		Last updated: 2 May 2017	