

From: Ben Watts, General Counsel
To: County Council, 25 May 2023
Subject: Updates to Terms of Reference
Status: Unrestricted

1. Introduction

- a) Members have received updates previously about the ongoing review of different aspects of our governance and the Constitution. Two focused areas of review have been completed and are presented to full Council for approval today:
 - i. Update to the Terms of Reference for the Governance and Audit Committee.
 - ii. Update to the Terms of Reference of the Member Remuneration Panel.
- b) The focus over the next year will be the actions identified within the Annual Governance Statement and outcomes from the work ongoing at Governance and Audit Committee and Members will be provided with a substantive update on this at the next Council meeting.

2. The Governance and Audit Committee

- a) "Audit committees are a key component of an authority's governance framework. Their purpose is to provide an independent and high-level focus on the adequacy of governance, risk, and control arrangements," (CIPFA's position statement 2022: Audit committees in local authorities and police, p.2).

Full Council is the body charged with governance, but the Governance and Audit Committee carries out some key ongoing tasks on its behalf.

- b) Because of this central role, the Committee has been the focus of a programme of work over the last couple of years to work towards ensuring that the Committee is fit for purpose. The co-option of an Independent Member has been trialled and the benefit of the concept demonstrated. During 2022, CIPFA carried out a review of the Committee and made a number of recommendations which formed the basis for further work.
- c) One of these was to update the terms of reference which have been the subject of work with the Committee since the CIPFA review. On 16 March 2023, the Committee discussed the final draft of the proposed changes and agreed to present these to full Council for approval. These are set out in Appendix 1.

3. Member Remuneration Panel (MRP)

- a) The MRP is responsible for making recommendations about the Members Allowances Scheme. Agreeing a scheme, or making changes to it, is the responsibility of full Council, but a report from the Panel needs to be presented to Council before any decisions can be made. Panel members are appointed by full Council, but operate independently, supported by Officers in the Governance, Law and Democracy division.
- b) Following a review, a revised terms of reference for the MRP has been discussed by the Selection and Member Services Committee. The Committee agreed to recommend a revised terms of reference to full Council. The proposed terms of reference for adoption are set out in Appendix 2. These are intended to bring greater clarity to the role of the Panel and amend the recruitment route for Panel members to address a liability risk identified in the existing method. The allowance for Panel members has also been simplified. It was also decided that future 4-year allowances schemes will be offset with the four-year council term to allow more clarity for those considering standing for election.

4. Recommendation

County Council is asked to:

- a) Note the report.
- b) Endorse the recommendation of the Governance and Audit Committee and agree the revised Terms of Reference for this Committee as set out in Appendix 1.
- c) Endorse the recommendations of the Selection and Member Services Committee in relation to the Member Remuneration Panel and agree the revised Terms of Reference for the Panel, as set out in Appendix 2.

5. Appendices

Appendix 1 – Proposed revisions to the terms of reference to the Governance and Audit Committee

Appendix 2 – Proposed revisions to the terms of reference to the Member Remuneration Panel

6. Background Documents

Agenda Item, Review of the terms of Reference for the Governance and Audit Committee, Governance and Audit Committee meeting 16 March 2023,
<https://democracy.kent.gov.uk/ieListDocuments.aspx?CId=144&MId=9126&Ver=4>

Agenda Item, Member Remuneration Panel: Arrangements and Terms of Reference, Selection and Member Services Committee meeting 9 March 2023,
<https://democracy.kent.gov.uk/ieListDocuments.aspx?CId=143&MId=9136&Ver=4>

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