

Appointments to COSLA Audit Group

Summary and Recommendations

Following the recent Local Government elections, the membership of the COSLA Audit Group requires reviewing and appointments made accordingly.

This paper invites Convention to:

- i. agree the proposed size and political make-up of the Audit Group; and
- ii. authorise COSLA Political Group Leaders to make the necessary appointments by end June.

References

Previous reports on topic:

- Not applicable

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Purpose

1. The purpose of this report is to highlight that, following the recent Local Government elections, the membership of the COSLA Audit Group needs reviewing and appointments made to the group.

Background and Proposal

2. The COSLA Constitution, approved in February 2022, states that 'Convention shall determine the delegated powers, size and political composition of all the Association's governance structures.'
3. Section 5 of the Scheme of Delegation provides further specific detail relating to the Audit Group. The relevant extract is at Appendix I.
4. Neither the Constitution, nor the Scheme of Delegation specifies the size of the Audit Group. Experience during the last two Local Government terms suggests that ideally, it should consist of around eight members. There is no obligation for strict political balance, and following informal discussion with Group Leaders, we are suggesting nominations broadly reflect the political balance of COSLA, giving two each to the larger groups and one to the smaller, and a total of nine. This would also allow for gender balances and geographic coverage to be addressed. On this basis, the suggestion is that membership comprise the following:
 - SNP 2 Nominations
 - Labour 2 Nominations
 - Conservatives 2 Nominations
 - Independents 1 Nomination
 - Liberal Democrats 1 Nomination
 - Green 1 Nomination
5. The Chair of the Group should be agreed at the first meeting of the Group by its members. One of the key jobs of the Chair is to present reports to Convention covering the Annual Budget, and the Annual Financial Statements. Ensuring effective management of risk within the organisation and an appropriate control environment are also key functions.
6. The Scheme of Delegation suggests a minimum of two meetings a year is required. Recent practice has been to meet quarterly to consider the quarterly monitoring reports produced by officers, alongside the Annual Budget and the Annual Financial Statements and a review of risk. Meetings can be called more frequently as events dictate and issues can also be dealt with by correspondence.
7. As a key job is to present a report to Convention in October, it would be useful to have members of the Audit Group decided by Group Leaders by end June. This would allow a first meeting to be arranged for August.

Conclusion

8. This paper invites Convention to
 - i. endorse the proposed size of the Audit Group; and
 - ii. authorise political Group Leaders to make the necessary appointments by end June.

June 2022

Appendix I

SECTION 5. AUDIT GROUP

Constitution

1.1 Appointed by Convention on basis of party balance.

Chair

1.2 The Chair of the Committee will be a Member from those appointed to it.

Quorum

1.3 One quarter of the Members present will constitute a quorum. For the avoidance of doubt, the definition of 'present' shall include the participation of Members via a remote meeting.

Delegated Powers

1.4 The Audit Group has delegated powers to recommend the audited accounts of the Association to Convention. Otherwise, it does not have delegated powers, and except for matters reserved to Convention all recommendations of the Audit Group will be considered by the Leaders' Meeting.

Meetings

1.5 The Audit Group will meet as and when required to conduct the business delegated to it, but indicatively at least twice a year.

Functions Referred

1.6 The following functions will stand referred to the Audit Group:

- (a) Assurance that the Association has proper arrangements to deliver Best Value and value for money, including consideration of quality reviews.
- (b) Assurance that the Association has appropriate corporate governance arrangements in place.
- (c) Assurance on the integrity of the financial reporting process.
- (d) In relation to Internal Audit functions, to oversee its independence, objectivity, performance and professionalism, to support the effectiveness of the internal audit process and to promote the effective use of internal audit within the assurance framework.
- (e) To consider reports from External Audit and their implications for governance, risk management or control.
- (f) Support effective relationships between external audit and internal audit.
- (g) Review the financial statements, external auditor's opinion, and reports, and monitor management actions in response to issues raised by external audit.
- (h) Ensuring that officers maintain effective controls within financial procedures.
- (i) To monitor the effectiveness of the control environment, including arrangements for managing the Association's exposure to Corporate Fraud, Counter Fraud and Corruption, including review of individual case reports.
- (j) Consider the effectiveness of Risk Management arrangements and the control environment.
- (k) Recommend approval of the audited accounts of the Association
- (l) Monitoring the functions of external bodies funded by the Association (Following the Public Pound).
- (m) To be responsible for setting its own work programme which will include the right to undertake reviews.