

CONSTITUTION WORKING PARTY		
<b>Report Title</b>	Audit Panel Quorum	
<b>Key Decision</b>	No	Item No. 3
<b>Ward</b>		
<b>Contributors</b>	Head of Business and Committee/Head of Law	
<b>Class</b>	Open	Date: 11 February 2008

## 1. Purpose of Report

To seek the views of the Constitution Working Party on options, including possible amendments to the Constitution, to ensure Audit Panel meetings are quorate.

## 2. Recommendation

That the Working Party considers the options outlined in section 5 of the report

## 3. Background

3.1 The Audit Panel has held four meetings since it was created in 2007. The September meeting of the Panel was inquorate and could not conduct business, as only two of the six councillor members were in attendance. Following this meeting, informal member discussions took place about loosening the quorum requirements but as no consensus was reached, officers were asked to present options to the next meeting of this Working Party.

3.2 Meetings of the Audit Panel in June and July 2007 were attended by all six councillor members but only two were present at the September 2007 meeting which was inquorate. Three councillors were present at the December 2007 meeting.

## 4. The Constitutional Position

4.1 Constitutionally 'the quorum for all non executive council bodies is 'one quarter of the entire membership or three, whichever is the larger'. The Audit Panel has a councillor membership of six so its quorum is therefore three.

## 5. Available Options

*Quorum Reduction*

- 5.1 A minimum of three has been set because reducing the quorum to two, while appearing robust in percentage terms for small bodies such as the Audit Panel, is generally not considered best practice as effectively decisions could be taken by one person, the chair, on a casting vote. Further, where decisions are taken by a Council body, the law requires that, except in the case of executive delegations, they flow only to committees and not to individuals. A quorum of two is effectively decision making by the Chair who, in the event of disagreement, exercises the casting vote. Accordingly, it is debateable whether such a small quorum is legally robust for a Council body. Whilst the Panel acts only in a reviewing and advisory capacity the Head of Law advises that it would be unwise to depart from the normal practice, particularly given the important role played by the Panel and the centrality of it to the credibility of the Council's final accounts.

#### *Increased Councillor Membership*

- 5.2 Alternatively, the size of the Panel could be increased by the Council, ensuring that while the quorum would remain unchanged, the pool of persons from which the quorum is drawn is widened. For example increasing councillor membership of the Audit Panel to ten, the same size as a Select Committee, would leave the quorum unaltered at three.

#### *Fully Independent membership*

- 5.3 The Executive Director for Resources suggested a purely advisory panel made up completely of independent representatives in her initial report to the Public Accounts Select Committee. While this was not accepted by the Constitution Working Party, members may wish to reconsider this option if quorate councillor meetings cannot be sustained.

#### *Internal Group Mechanisms*

- 5.4 Members who have been unable to attend Audit Panel meetings have been drawn from three groups to differing extents. The Working Party may like to ask the three relevant group leaders to encourage their representatives to attend meetings on a more consistent basis or to review their representation on the Audit Panel.

## **6. Legal Implications**

Some are contained in the body of the report. Changes to the Constitution are for the full Council.

## **7. Financial Implications**

None arising.

## **BACKGROUND PAPERS**

The Constitution of the London Borough of Lewisham

If you have any queries on this report, please contact Kevin Flaherty, Head of Business & Committee, Governance Support 0208 3149327.