

[REPORT TO:		Annual General Meeting	
DATE:		23rd May 2024	
PORTFOLIO:		Leader of the Council	
REPORT AUTHOR:		Executive Director (Legal & Democratic Services)	
TITLE OF REPORT:		Annual Constitution Update	
EXEMPT REPORT:	No		
KEY DECISION:	No	If yes, date of publication:	

1. **Purpose of Report**

- 1.1 To propose a number of updates to the Council's written constitution following the annual review of the same.

2. **Recommendations**

2.1 That Council:

- i. Agrees to adopt the Articles to the Council's written constitution appended to this report at Appendix 1 ; and
- ii. Agrees to adopt the updated Anti-Fraud & Corruption Policy, Criminal Facilitation Of Tax Evasion Policy and Anti- Money Laundering Policy attached at Appendix 2 to this report;
- iii. Agrees to adopt the revised Council Procedure Rules attached at Appendix 3 to this report (with proposed amendments shown in red);
- iv. Request the Leaders Policy Development Board to consider the appointment of up to 2 independent persons as co-optees to the Council's Audit Committee and then to report back to Council with a recommendation.

3. **Reasons for Recommendations and Background**

- 3.1 The Council is required by law to have a written constitution. The Council's written constitution is reviewed regularly and a copy of the constitution is available on the Council's website. A review of the constitution is undertaken annually to:

- (i) ensure the constitution accurately reflects the Council's political management arrangements; and
- (ii) ensure the constitution reflects changes to the law, staffing structures and best practice guidance;

3.2 Articles of the Constitution

The "Articles" are intended to be relatively plain English, customer friendly summary of the Council's constitution. The version attached at Appendix 1 has been amended to take account to the changed governance arrangements proposed at the AGM, such as the removal of Altham Parish Council representatives from the Standards Committee and the changed term of office of the Council Leader from four years to one.

3.3 Anti-Fraud & Corruption Policy, Criminal Facilitation Of Tax Evasion Policy and Anti-Money Laundering Policy

These policies are reviewed and updated periodically by the Head of Internal Audit to ensure that the Council's procedures continue to reflect good practice in preventing and detecting fraud and other financial irregularities. A review was undertaken recently, although the only changes needed were to reflect changes to our external auditor and to remove references to former employees, such as the previous Section 151 Officer, Mr McIntyre.

3.4 Council Procedure Rules

The new controlling group has proposed changes to the Council Procedure Rules, which are the rules of procedure for Council meetings. The amended Procedure Rules are attached at Appendix 3 to this report, with the changes shown in red.

Members will soon be sent details of training on the rules for full Council meetings, which may be helpful for newly and recently elected councillors.

3.5 Co-optees to Audit Committee

CIPFA is urging all local authorities to appoint at least two independent persons (i.e. non-councillors) to serve on their Audit Committees to provide "technical expertise" and the CIPFA practical guidance for local authority Audit Committees suggests that this is a beneficial practice. A number of Lancashire Districts have already chosen to appoint independent members to their Audit Committees and it is likely that it will become a mandatory requirement at some point. The appointment of independent co-optees was also a recommendation when the Council's Internal Audit Team was externally assessed against the Internal Audit Standards in November 2022.

It is therefore suggested that the Leaders Policy Development Board is asked to consider the latest national guidance and the approach adopted elsewhere and then to report back to Council with recommendations.

4. Alternative Options considered and Reasons for Rejection

4.1 None, although members could chose to reject any of the proposed amendments and retain the current version of these documents whilst the proposed amendments are reconsidered.

5. Consultations

5.1 The Council’s new controlling group has been consulted re the proposed changes to the Council Procedure Rules and the Overview & Scrutiny Procedure Rules.

6. Implications

Financial implications (including mainstreaming)	None.
Legal and human rights implications	None. However, it is part of good governance to keep the constitution under regular review and up to date.
Assessment of risk	None
Equality and diversity implications <i>A Customer First Analysis should be completed in relation to policy decisions and should be attached as an appendix to the report.</i>	None identified.

**7. Local Government (Access to Information) Act 1985:
List of Background Papers**

None

8. Freedom of Information

8.1 The report does not contain exempt information under the Local Government Act 1972, Schedule 12A and all information can be disclosed under the Freedom of Information Act 2000.

