1. **Purpose of Report**

1.1 To seek approval for a number of changes to the Council’s written constitution

2. **Recommendations**

2.1 That Council agree the following:

   (i) the revised Budget and Policy Framework Procedure Rules attached as Appendix 1 to this report

   (ii) the terms of reference of the Auditor Panel attached as appendix 2 to this report

   (iii) the recommendations in paragraph 3.3 of this report

   (iv) the revised petition scheme attached as Appendix 3 to this report

   (v) the revised civic protocol (to be circulated prior to the meeting)

   (vi) that the Council Procedure Rules be amended to add a new rule 23.4 as set out in paragraph of this report

3. **Reasons for Recommendations and Background**

3.1 **Budget and Policy Framework Procedure Rules**
Minor changes have been made to these Rules, principally to ensure they are consistent with the Council’s Financial Procedure Rules in respect of arrangements for virements within the budget.

3.2 Audit Panel

Following the abolition of the Audit Commission, the Council is now responsible for the appointment of its own external auditor. The Local Audit & Accountability Act 2014 requires all local authorities, including Hyndburn, to appoint an auditor panel to assist it in choosing and maintaining an appropriate relationship with, its local auditors. For example, the Council must consult the panel, and have regard to its advice, before the Council’s external auditor is appointed.

The following rules apply to the new audit panels:

- A majority of the panel’s members must be independent persons (i.e. non-councillors or officers) and an independent person must be appointed as chair of the panel. The Council must advertise its intention to seek independent members of its audit panel and anyone interested in the role must submit an application. An advertisement on the Council’s website will suffice in this regard;
- The minimum membership of the panel is 3 and the quorum for its meetings is 3;
- The members of the panel must be appointed by full Council;
- The Council can set the term of office of the panel members and can decide whether allowances and / or expenses are payable to panel members;
- Many of the rules that normally apply to committees will apply to the panel, such as the requirement to give public notice of its meetings, publish its agenda and publish minutes of its decisions;
- Any advice given by the panel must be published on the Council’s website and, if the Council does not follow the advice of the panel when choosing its external auditor, the Council must publish a notice on its website to explain why.

3.3 In view of the above, it is recommended that:

a) Membership of the panel does not attract an allowance, but its members are able to claim travel and subsistence expenses in accordance with the Council’s members allowances scheme;

b) The councillor member of the panel is appointed annually, but the independent members of the panel are appointed for a term of office of up to 5 years, to avoid the need for repeated advertisement of the role and repeated submission of applications by panel members (and this approach would not prevent the
Council removing an independent member at any time is it considered this appropriate)

c) The Executive Director (Legal & Democratic Services) is given delegated power to advertise and seek applications for the position of independent member of the audit panel

3.4 **Petition Scheme**

Minor changes have been made to the petition scheme to simplify it and bring it up to date, such as:

- Changes to the way E-Petitions are created and submitted to take account of changes to technology, together with updated directions on how the E-Petitions function can be found on the Council’s website.
- Updating the job titles of officers who may be called to give evidence in response to a petition.
- Deletion of the option for the petition organiser to refer the petition to Overview and Scrutiny if they are not happy with the Council's response.

3.5 **Civic Protocol**

This has not been reviewed for some time and minor changes are proposed to reflect current practice and to clarify the role of the mayor in line with the approach taken in other Boroughs.

3.6 **Council Procedure Rules**

It is proposed that the Council Procedure Rules be amended to add a new rule 23.4 as set out in Appendix 4 to this report. The proposed new rule will complement the changes proposed to the civic protocol and reflects the Council’s long-established and well respected practice in respect of the neutrality and non-political role of Mayor.

4. **Alternative Options considered and Reasons for Rejection**

4.1 The Council is required by law to make arrangements for an Audit Panel. The other changes proposed are at the discretion of the Council, but are recommended for the reasons given in paragraph 3.

5. **Consultations**

5.1 The Council’s petition scheme was considered at the Leaders Policy Board.
6. **Implications**

<table>
<thead>
<tr>
<th>Financial implications (including mainstreaming)</th>
<th>None.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal and human rights implications</td>
<td></td>
</tr>
<tr>
<td>Assessment of risk</td>
<td>None</td>
</tr>
<tr>
<td>Equality and diversity implications</td>
<td>None identified.</td>
</tr>
<tr>
<td><strong>A Customer First Analysis</strong> should be completed in relation to policy decisions and should be attached as an appendix to the report.</td>
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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.