

<b>Report to:</b>	<b>COUNCIL</b>
<b>Relevant Officer:</b>	Mark Towers, Director of Governance and Partnerships
<b>Date of Meeting:</b>	25 November 2020

## AUDIT COMMITTEE INDEPENDENT MEMBER

### 1.0 Purpose of the report:

1.1 To consider the appointment of an Independent Member/s to the Audit Committee.

### 2.0 Recommendation(s):

2.1 To make an appointment to two positions of Independent Member on the Audit Committee for a three year term of office, starting from 1 December 2020. The names of the recommended candidates will be put forward at the meeting by the Chair of the Audit Committee.

### 3.0 Reasons for recommendation(s):

3.1 To fill a vacancy on the committee and fulfil a previous action from the Annual Governance Statement. A second position is recommended to provide greater assurance to the committee and the governance framework and would provide complementary skills and expertise to the committee.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council's approved budget? Yes

3.3 Other alternative options to be considered:

To not make an appointment. However, this would be contrary to previous decisions of the Council to have an independent co-opted member of the Audit Committee. To make just one appointment. This is an option and one Council could make although the interview process did highlight two appointable candidates with differing skills sets and experience and both can be accommodated on the committee.

### 4.0 Council Priority:

4.1 The recommendation in this report meet all of the Council's priorities.

## **5.0 Background Information**

- 5.1 Council in 2017 agreed the appointment of an appropriately qualified independent co-opted member, who would serve on the committee with non-voting rights. This position was recommended as part of the Council's Annual Governance Statement at the time and is intended to strengthen the assurance and challenge role for that committee. It has become an even greater integral part of local governance especially with the current financial position of local authorities and the need for greater assurance. The vacancy has arisen as the former Independent Member stood down earlier this year. The successful applicant/s would ideally possess expertise and knowledge in audit/ finance and have an understanding of how local government operated.
- 5.2 Council at its meeting on 20 July 2020 authorised the recruitment process to commence and interviews were recently held conducted by the Chair of Audit, the Monitoring Officer and the Head of Audit and Risk.
- 5.3 In line with the decision of the July Council meeting, the four Group Leaders have been consulted on the nominated candidates and a recommendation will be reported to the meeting by the Chair of Audit Committee.

Does the information submitted include any exempt information?

No

### **List of Appendices:**

None.

## **6.0 Legal considerations:**

- 6.1 There is no legal requirement to appoint an independent (co-opted) member to the Audit Committee. However, the CIPFA Practical Guidance for Local Authorities and Police – Audit Committees 2018 Edition endorses the approach of mandating the inclusion of a lay or independent member and recommends that those authorities, for whom it is not a requirement, actively explore the appointment of an independent member to the committee.

## **7.0 Human Resources considerations:**

- 7.1 There are no Human Resource considerations.

## **8.0 Equalities considerations:**

- 8.1 There are no equalities considerations to this report.

**9.0 Financial considerations:**

9.1 The Members Allowances Scheme provides for a special responsibility allowance for an Independent Member of the Audit Committee, in the sum of £750 per year.

**10.0 Risk management considerations:**

10.1 Having an independent co-optee on the Audit Committee is considered good practice and helps to strengthen the assurance and challenge to the committee.

**11.0 Ethical considerations:**

11.1 There are no ethical considerations.

**12.0 Internal/ External Consultation undertaken:**

12.1 Consultation will take with the four Group Leaders on the preferred candidate before a recommendation on the appointments is made to Council.

**13.0 Background papers:**

13.1 None.