

COUNCIL

6 SEPTEMBER 2017

Independent Members of the Audit Committee

Report of Alison Elsdon, Director of Corporate Resources

Cabinet Member: Councillor Nicholas Oliver – Portfolio Holder for Corporate Services

Purpose of report

To explain the requirement for a short further extension (of 22 days) to the tenure of the current independent / co-opted members of Audit Committee, in order to allow sufficient time to undertake advertisement and recruitment of new independent members ahead of the November Audit Committee meeting.

Recommendations

It is recommended that Council approve a short further extension to the tenure of the current independent / co-opted members of Audit Committee, from 6 September 2017 to 28 September 2017, in order to allow sufficient time to advertise the roles, attract the widest range of suitable candidate and to recruit to the positions, going forward.

Link to Corporate Plan

The work of the Audit Committee supports all areas within the Council's Corporate Plan.

Key issues

At its meeting on 5 July 2017, Council agreed that the tenure of the current two co-opted members on Audit Committee should be extended until the next meeting of full Council on 6 September.

Having reviewed the current arrangements around independent members on Audit Committee, it is proposed that a further short extension (to 28 September 2017) is agreed. This will allow officers to advertise the roles once the main summer holiday period has passed and hopefully to attract the widest field of candidates. The proposed appointments can then be approved in accordance with guidance from Democratic Services and in accordance with the Constitution, and for the new independent members to take up their duties in time for the Audit Committee meeting in November 2017.

Background

At the 5 July meeting of Council, the position regarding independent (co-opted) members on the Audit Committee was discussed. Council was informed that the Council's Audit Committee currently has two non voting independent members, Mr A. Haywood-Smith and Mrs I Walker, who have served on the Committee since December 2012. Independent members bring additional skills and experience to the work of the Audit Committee and their inclusion on the Committee reflects best practice.

Council was advised that the existing term of office of the independent members had expired. In order to provide some continuity and maintain the effectiveness of the Committee, Council was asked to agree the continuation of the term of office of the two existing members, and the continuation of their special responsibility allowance, until 6 September 2017, when Council would then be asked to review the existing arrangements for independent members.

A short further extension (until 28 September 2017) is now recommended. This will allow the Chair of Audit Committee, together with the relevant officers, the opportunity to advertise the roles of Independent Audit Committee members once the main holiday period has passed. This will allow maximum visibility of the advertisement, and allow the Authority to recruit its independent / co-opted Audit Committee members from the widest possible field of suitable candidates.

Implications

Policy	The appointment of independent persons to Audit Committee improves its effective operation within its terms of reference, as set out in the Constitution.
Finance and value for money	By fulfilling its remit effectively, the Audit Committee can demonstrate its role in the assurance framework, reducing financial risk and improving value for money.
Legal	There is no legal requirement for Local Authorities to have an audit committee, though this and the appointment of co-opted members is recommended practice by the Chartered Institute of Public Finance and Accountancy (CIPFA). In accordance with

	current legislation, the co-opted members do not have voting rights.
Procurement	None
Human Resources	None
Property	None
Equalities (Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	None
Risk Assessment	Independent / co-opted members on Audit Committee promotes good governance, and is recommended practice. This strengthens the Authority's governance framework and reduces risk.
Crime & Disorder	None
Customer Consideration	An Audit Committee functioning in accordance with best practice strengthens the Authority's governance arrangements, and increases public confidence in the organisation's integrity.
Carbon reduction	None
Wards	All

Background papers:

Agenda for Council, 5 July 2017

Report sign off.

Authors must ensure that officers and members have agreed the content of the report:

	initials
Finance Officer	
Monitoring Officer/Legal	LH
Human Resources	
Procurement	

I.T.	
Executive Director	AE
Portfolio Holder(s)	NO

Author and Contact Details

Allison Mitchell, Chief Internal Auditor
Allison.mitchell@northumberland.gov.uk
 Tel 0191 643 5720