



# Northumberland

## County Council

COUNCIL

DATE: 6 JULY 2022

---

### INDEPENDENT MEMBERS OF AUDIT COMMITTEE

#### **Report of the Democratic Services Manager**

**Cabinet Member:** Councillor Barry Flux, Business Chair

---

#### **Purpose of report**

The purpose of the report is to seek Council's agreement to extend the appointment of the independent co-opted members, currently serving on the County Council's Audit Committee.

#### **Recommendations**

Council is recommended to agree to extend the appointment of Mr Peter Topping as an independent co-opted member of Audit Committee, and Mr Stephen Watson as independent co-opted Chair of Audit Committee, for a period of two years to July 2024.

#### **Link to Corporate Plan**

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

#### **Key issues / Background**

- 1 Since January 2013, the County Council has appointed two independent co-opted members to Audit Committee, in line with CIPFA good practice. As intended, the Audit Committee has benefitted from the additional challenge provided by these independent members, who have brought additional financial skills and expertise to tackle the many challenging issues the Audit Committee has had to deal with.
- 2 At its meeting in February 2020, Council agreed the appointment of two independent co-opted members to the Audit Committee, Mr Peter Topping and Mr Stephen Watson, following a recruitment exercise undertaken during December 2019. Council agreed a term of office for a fixed period of two years, with an extension on the recommendation of the Executive Director of Finance, in consultation with the Chair of Audit Committee, and with the approval of full Council. Independent co-opted members are paid a special responsibility allowance of £1,000 per annum.

- 3 At its meeting in July 2021, Council agreed the establishment of an Independent Co-opted Chair of Audit Committee, with the Constitution amended to reflect this. Council also agreed the appointment of Mr Stephen Watson as the Independent co-opted Chair of Audit Committee, following a recruitment process undertaken. Mr Watson's appointment as Chair was agreed for a period of two years from the date of that decision.
- 4 It has recently been highlighted by Democratic Services that the existing term of office of Mr Peter Topping has expired. In order to provide continuity and help maintain the effectiveness of Audit Committee, Council is asked to agree the continuation of the term of office of Mr Peter Topping, and the continuation of the associated special responsibility allowance, for a further period of two years to July 2024.
- 5 Council is also asked to reaffirm Mr Stephen Watson as the independent co-opted Chair of Audit Committee and agree his term of office, and the continuation of the associated special responsibility allowance, for a further period of two years to July 2024.

### **Implications**

<b>Policy</b>	The appointment of independent members to Audit Committee improves its effective operation within its terms of reference, as set out in the Constitution.
<b>Finance and value for money</b>	By fulfilling its remit effectively, Audit Committee can demonstrate its role in the assurance framework, reducing financial risk and improving value for money.
<b>Legal</b>	There is no legal requirement for Local Authorities to have an audit committee, though this and the appointment of co-opted independent 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.
<b>Procurement</b>	None.
<b>Human Resources</b>	None.
<b>Property</b>	None.
<b>Equalities</b> (Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	None.

<b>Risk Assessment</b>	Independent co-opted members on Audit Committee promotes good governance and is recommended practice. This strengthens the County Council's governance framework and reduces risk.
<b>Crime &amp; Disorder</b>	None.
<b>Customer Consideration</b>	An Audit Committee functioning in accordance with best practice strengthens the Authority's governance arrangements, and increases public confidence in the organisation's integrity.
<b>Carbon reduction</b>	None.
<b>Health and Wellbeing</b>	None.
<b>Wards</b>	All.

**Background papers:**

'Appointment of Independent Members to the Audit Committee' report to Council, 19 February 2020

**Report sign off.**

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

	Full Name of Officer
Monitoring Officer/Legal	S. Binjal
Executive Director of Finance & S151 Officer	J. Willis
Relevant Executive Director	
Interim Deputy Chief Executive	R. O'Farrell
Portfolio Holder(s)	B. Flux

**Author and Contact Details**

J. Roll, Head of Democratic and Electoral Services 01670 622603  
Jackie.Roll@northumberlandf.gov.uk