



Northumberland County Council

COUNTY COUNCIL

7th July 2021

PROPOSAL TO APPOINT INDEPENDENT (CO-OPTED) CHAIR OF AUDIT COMMITTEE

Report of Councillor Barry Flux, Business Chair

1 Purpose of the Report

Further to the announcement by the Leader of the County Council at the meeting of full Council on 26 May 2021 that the Authority would move to establish an independent (co-opted) Chair of Audit Committee as soon as possible, this report proposes the relevant changes required to the Constitution to enable an independent (co-opted) Chair of Audit Committee to be so appointed; together with information on steps taken to expedite the appointment.

2 Recommendations

Council is recommended to:

- (a) agree that an independent (co-opted) Chair of Audit Committee should be established, in addition to the 8 elected members and 2 co-opted members currently appointed to the Audit Committee;
- (b) agree that the Constitution is amended to reflect the County Council's agreement to this proposal;
- (c) agree the role definition and person specification for the independent (co-opted) Chair of Audit Committee, which have been prepared based on national good practice for such co-opted roles and Nolan principles, attached as **Appendix A**;
- (d) note that the proposed role of Independent (co-opted) Chair of Audit Committee has now been advertised openly in local media, and that applicants will be subject to a competitive recruitment process which will

- evaluate their ability to fulfil the competencies set out in the proposed role definition and person specification attached as **Appendix A**;
- (e) agree that applicants meeting the essential criteria for the role will be invited to interview by a panel comprising Cllr Barry Flux (Business Chair), Mrs Jan Willis (Executive Director for Finance) and Mrs Allison Mitchell (Director of Corporate Assurance), with the individual recommended to be appointed to the role of Independent (Co-opted) Chair of Audit Committee following that competitive process to be reported to County Council for approval;
 - (f) agree that the proposed term of office for the Independent (co-opted) Chair of Audit Committee will be two years, after which time the role will again be subject to re-advertisement and a competitive selection process, with future appointments to the role to be agreed by County Council;
 - (g) agree that Independent (co-opted) Chair of Audit Committee will be paid an allowance at the same rate as has been paid to the elected member who has discharged this role over the last administrative term; and that the value of this allowance will be included in any review of Members' Allowances which may take place in future, and will be subject to any recommendations made about payment of such an allowance which may follow from any such review.

3 Links to the Corporate Plan

Effective Audit Committee arrangements support all priorities in the Corporate Plan, and those arrangements are codified in the County Council's Constitution.

4 Key Issues and Background

- 4.1 Northumberland County Council has followed national recommended practice for some years by having an Audit Committee as part of its Committee and governance structure. The Audit Committee has historically comprised 8 elected members, one of whom is nominated as Chair, and two co-opted members.
- 4.2 Periodically the effectiveness of the Audit Committee arrangements has been subject to review, with the outcomes of such reviews reported to Audit Committee and in turn (through the approval of related minutes), full Council.
- 4.3 There are no statutory requirements governing the role of Audit Committee Chair. Some local authorities have an elected member in this role, while others have an independent (co-opted) Audit Committee Chair. Either approach is acceptable under good practice guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). It is a matter of local choice for each local authority to determine.
- 4.4 Following the announcement by the Leader on 26 May 2021 that Northumberland County Council will move as quickly as possible to appointment of an Independent (co-opted) Chair of Audit Committee, arrangements have been expedited to effect this change. This will require a change to the County Council's Constitution as set out above.
- 4.5 County Council is recommended to agree that the Constitution is amended to reflect that the Chair of Audit Committee will now be filled by an independent (co-opted) member, as set out earlier in this report under 'Recommendations', in

addition to the existing 8 elected members and two co-opted members currently appointed to the Committee.

- 4.6 The proposed role has been advertised openly in the local media and following shortlisting and interviewing, it is proposed that the name of the proposed Independent (co-opted) Chair of Audit Committee is reported to County Council for approval.

Implications

Policy	Effective Audit Committee arrangements are essential to effective governance. The proposals set out in this report will ensure that a move to an Independent (co-opted) Chair is achieved legally and efficiently and in a way consistent with good practice guidance and the Nolan principles.
Finance and value for money	Audit Committee has an established role in reviewing financial governance. The proposed allowance to be paid to the independent (co-opted) Chair will be included in any future reviews of members' allowances to ensure that VFM is achieved.
Legal	The Audit Committee helps ensure the County Council fulfils all relevant legal responsibilities including those in the Accounts and Audit Regulations 2015.
Procurement	Not applicable
Human Resources	A role definition and person specification have been prepared and form part of the proposals recommended to Council for approval.
Property	Not applicable
Equalities (Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Not applicable to the decision requested in this report. Equalities monitoring information is however included on the standard NCC application form which potential candidates will complete in order to be considered for the role.
Risk Assessment	Not applicable.
Crime & Disorder	Not applicable.
Customer Considerations	Not applicable.
Carbon reduction	Not applicable.
Wards	All

Background papers:

The following background papers and research reports have been used in the compilation of this report and are available for inspection at the offices of the author:

- NCC Constitution, February 2021

Report sign off

Monitoring Officer/Legal	Mr Neil Masson, Deputy Monitoring Officer
Executive Director of Finance / S151 Officer	Mrs Jan Willis, ED for Finance (Section 151 Officer)
Chief Executive	Mrs Daljit Lally, Chief Executive
Portfolio Holder(s)	Cllr Barry Flux, Business Chair

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