

North Tyneside Council

Report to Council

Date: 14 March 2013

ITEM 11

Title: Appointment of
Chair of Audit Committee

Portfolio(s): Finance

Cabinet Member(s): Councillor J Wallace

Report from Directorate: Chief Executive's Office

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Wards affected: All

PART 1

1.1 Purpose:

The purpose of the report is to appoint the Chair of the Audit Committee.

1.2 Recommendation(s):

It is recommended that Council appoint Mr Stephen Watson as Chair of the Audit Committee.

1.3 Forward Plan:

This report first appeared on the Forward Plan that was published on 13 February 2013.

1.4 Council Plan and Policy Framework

This report does not relate directly to any of the themes, programmes or projects contained in the 2012-15 Council Strategic Plan.

1.5 Information:

- 1.5.1 On 21 January 2010, the Council approved proposals to establish a politically balanced Audit Committee and to appoint two co-opted members to the Committee who would fulfil the roles of Chair and Deputy Chair. Following an advertisement and recruitment process, Mr Andrew Curry and Mr Stephen Watson were appointed as the two co-opted members. Mr Curry has fulfilled the role of Chair of the Committee with Mr Watson as Deputy Chair.

- 1.5.2 Mr Curry has now resigned from his positions as a co-opted member and Chair of the Audit Committee. He has a new job in a different part of the country and so his attendance at meetings will be impractical.
- 1.5.3 As a result of Mr Curry's resignation there is now a vacancy. The Council is recommended to appoint the existing co-opted member and Deputy Chair, Mr Stephen Watson as Chair of the Committee. Mr Watson now has 3 years' experience serving on the Committee, has chaired meetings effectively in Mr Curry's absence and has brought his own professional expertise in auditing and risk management to the operation of the Committee. Mr Watson has indicated that he is willing to fulfil the role of Chair.
- 1.5.4 An advertisement and recruitment exercise has commenced to seek a suitably skilled and experienced person who is knowledgeable in audit matters and is likely to enhance the work of the Audit Committee. It is anticipated that once this recruitment process is complete, the Council will be asked to appoint a person to the vacant co-opted member position in May 2013.

1.6 Decision options:

The following decision options are available for consideration by Council:

Option 1

Appoint Mr Watson as Chair of the Audit Committee.

Option 2

Do not appoint Mr Watson as Chair of the Audit Committee.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

Option 1 is recommended because Mr Watson now has 3 years' experience serving on the Committee, has demonstrated that he can chair meetings effectively and has indicated that he is willing to undertake the role. If Mr Watson were not appointed Chair, he would remain as Deputy Chair and the Council would be asked to appoint the person to emerge from the recruitment exercise as both co-opted member and Chair in May.

1.8 Appendices:

None.

1.9 Contact officers:

Michael Robson, Democratic Services Officer, Law and Governance,
tel. (0191) 6435359

Alison Campbell, Finance Business Manager, Finance,
Tel. (0191) 6437038

1.10 Background information:

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

- (1) Report to Council 21 January 2010 – Revision of Audit Committee Arrangements and associated Minute C109/01/10
- (2) Report to Council 18 March 2010 – Report of the Independent Remuneration Panel and associated Minute C
- (3) Report to Council 20 May 2010 – Appointment of Committees etc and associated Minute C13/05/10
- (4) Email from Mr A Curry to the Senior Manager: Audit, Risk & Procurement Services

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The Council agreed in March 2010 that a Special Responsibility Allowance be paid to the Independent Chair of the Audit Committee of £1,001 per year (one third of the special responsibility allowance for the Chair of a major committee, currently £3,003 per year) and that a Special Responsibility Allowance for the Independent Deputy Chair of the Audit Committee should be £700 per year (one third of the special responsibility allowance for the Deputy Chair of a major committee, currently £2,100 per year).

There are no additional financial implications arising from this report as all costs are covered by existing budgets.

2.2 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 from CIPFA. In accordance with local government law, the co-opted members do not have voting rights. Allowances payable to the Chair and Deputy Chair are in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003.

2.3 Consultation/community engagement

Mr Watson has been consulted on the proposal to appoint him as Chair. The wider community of North Tyneside will be engaged in advertising for the recruitment of a new co-opted member.

2.4 Human rights

There are no human rights issues arising from this report.

2.5 Equalities and diversity

The advertisement and recruitment process in relation to the vacant co-opted members position will be carried out in accordance with the relevant equalities legislation.

2.6 Risk management

A risk assessment has not been undertaken in connection to this matter. The consequences of not appointing Mr Watson Chair are set in paragraph 1.7.

2.7 Crime and disorder

There are no crime and disorder implications directly arising from this report.

2.8 Environment and sustainability

There are no environment and sustainability issues arising from this report.

PART 3 - SIGN OFF

- Chief Executive

- Cabinet Member

- Chief Finance Officer

- Monitoring Officer

- Strategic Manager Policy Partnerships, Performance and Communication.