



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

27 November 2024

Report of the Director of Finance

Audit Committee - Appointment of Two Co-opted Independent Members

1. Purpose

- 1.1 To seek approval for the appointment of two co-opted independent members to the Council's Audit Committee.

2. Information and Analysis

- 2.1 The Audit Committee is a key component of a Council's governance framework. The Committee's core functions include high-level assurance and objective oversight of the governance, risk and control arrangements, financial and governance reporting, and establishment of audit and assurance processes across the full range of the Council's operations and collaborations.
- 2.2 Independent of both executive decision making and scrutiny functions, the Audit Committee oversees the Council's arrangements for internal and external audit and assists in ensuring that efficient and effective assurance arrangements are in place. The Committee's composition, role, function and responsibilities are defined within Article 10 of the Council's Constitution.
- 2.3 At the meeting of the Audit Committee on 5 December 2023, Members received a report on the Chartered Institute of Public Finance and Accountancy (CIPFA) Position Statement: Audit Committees in Local Authorities and Police 2022. The Statement recommends that the skills and experience of elected members should be supplemented by inclusion of at least two co-opted independent members to provide appropriate technical expertise. The Audit Committee approved the appointment of two independent members and referral to the

Governance, Ethics and Standards Committee, to seek a constitutional change to the Audit Committee's composition.

- 2.4 At its meeting on 18 January 2024, the Governance Ethics and Standards Committee, approved an amendment to the Council's Constitution to allow the inclusion of two co-opted independent members on the Audit Committee. At the next meeting of the full Council on 27 March 2024, the amendments to Article 10 of the Constitution were approved.

Recruitment Process

- 2.5 During August 2024, a recruitment exercise was undertaken which resulted in 9 applications for the two independent member roles.
- 2.6 In September a panel consisting of the Director of Finance, Director of Legal and Democratic Services and Assistant Director of Finance (Audit) conducted 4 interviews, with the candidates that met the Role and Person Profile for the position. The panel explored in depth each candidate's knowledge, experience and suitability for the role.
- 2.7 At the conclusion of the interview process the panel recommends David King and Ruth Marchington are appointed as the Audit Committee's two co-opted independent members.

3. Implications

- 3.1 Appendix 1 sets out the relevant implications considered in the preparation of the report.

4. Background Papers

- 4.1 Background papers are held by the Assistant Director of Finance (Audit):
- Advert regarding the vacant Audit Committee co-opted independent member positions.
 - Applications received from all candidates.
 - Interview questions, responses, and interview panel decisions notes.

5. Appendices

- 5.1 Appendix 1 – Implications

6. Recommendation(s)

6.1 That Council:

- a. Approves the appointment of David King & Ruth Marchington as the Council's two co-opted independent members of the Audit Committee for a term of four years to December 2028, subject to satisfactory references and right to work checks.

7. Reasons for Recommendation(s)

- 7.1 To ensure that the appropriate independent member representation is in place on the Council's Audit Committee.

Report

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Implications

Financial

- 1.1 Co-opted independent members of the Audit Committee are paid a rate of £2,000 per annum.

Legal

- 2.1 Under sections 101 and 102 of the Local Government Act 1972, Council is responsible for approving the composition and appointment to committees.
- 2.2 The Council has the power to appoint co-opted independent members to committees, other than a committee for regulating and controlling the finances of the council, under section 102(3) of the 1972 Act.

Human Resources

- 3.1 Recruitment of the two Co-opted independent members of the Audit Committee, will be undertaken in accordance with the Council's relevant policies and procedures.

Information Technology

- 4.1 None directly arising out of this report.

Equalities Impact

- 5.1 None directly arising out of this report.

Corporate objectives and priorities for change

- 6.1 None directly arising out of this report.

Other (for example, Health and Safety, Environmental, Sustainability, Property and Asset Management, Risk Management and Safeguarding)

- 7.1 None directly arising out of this report.