

North Tyneside Council

Report to Council

Date: 19 September 2024

Title: Proposed appointments to Audit Committee (Co-opted Chair and Deputy Chair)

Portfolio(s):	Finance and Resources	Cabinet Member(s):	Councillor Anthony McMullen
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Report from: Chief Executive

Responsible Officer: Paul Hanson, Chief Executive Tel: (0191) 643 7001

Wards affected: All

PART 1

1.1 Executive Summary:

The Constitution provides that Audit Committee has two co-opted members who will fulfil the roles of Chair and Deputy Chair of the Committee.

The position of Chair has been vacant since March 2024 when the previous Chair reached the maximum term of office of 10 years. The Authority has conducted a recruitment exercise to fill this vacancy and this report sets out the process followed and proposed appointments to the position of Chair and Deputy Chair.

1.2 Recommendation(s):

It is recommended that Council:

- (1) On the recommendation of the Chief Executive and the Director of Resources acting in his capacity as the Authority's Section 151 Officer, appoint Dr Stuart Green as co-opted Chair of Audit Committee for a term of two years;

- (2) On the recommendation of the Chief Executive and the Director of Resources acting in his capacity as the Authority's Section 151 Officer, appoint Lisa Sproats as co-opted Deputy Chair of Audit Committee for a term of two years.

1.3 Forward Plan:

Twenty eight days notice of this report has been given and it first appeared on the Forward Plan that was published on 2 August 2024.

1.4 Council Plan and Policy Framework

This report does not relate directly to any of the themes, programmes or projects contained in the 2021-2025 Our North Tyneside Plan.

1.5 Information:

1.5.1 Background

1.5.2 The Constitution provides that:

- Audit Committee has two co-opted members who will fulfil the roles of Chair and Deputy Chair of the Committee;
- The appointment of the Chair and Deputy Chair of the Audit Committee is a matter reserved to the full Council, on the recommendation of the Chief Executive and Section 151 Officer;
- The term of office for the Chair and Deputy Chair of the Audit Committee will be two years, with their overall term of office being limited to a maximum of 10 years;
- The term of office for the Chair and Deputy Chair can only be extended with the express approval of the full Council, on the recommendation of the Chief Executive and Section 151 Officer, i.e. each two year term of office up to an overall maximum of 10 years;
- The Chair and Deputy Chair are non-voting members of the Committee.

1.5.3 The position of Chair has been vacant since March 2024 when the previous Chair reached the maximum term of office of 10 years. Dr Stuart Green was appointed as Deputy Chair of Audit Committee by full Council on 22 September 2022.

1.5.4 Assessment of candidates

- 1.5.5 The Authority has conducted a recruitment exercise to fill the vacancies of Chair and Deputy Chair of the Committee. To maximise interest and the number of potential candidates, applications were sought from individuals who were interested in fulfilling either the Chair or Deputy Chair role. The roles were advertised through the North East Jobs portal and shared through established business and community networks the Authority has in place.
- 1.5.6 The response to the advertisement was very good with seven strong candidates being interviewed by a Panel which consisted of the Director of Resources (as Section 151 Officer), Director of Adult Social Care and Chief Internal Auditor. Dr Green, the current Deputy Chair of the Committee was considered for the role of Chair along with those suitable candidates who had expressed an interest in that role.
- 1.5.7 Following deliberation, the Panel agreed on proposed appointments which it considered would provide the Committee with the best mix of skills, experience and knowledge required in the short, medium and long term.
- 1.5.8 Proposed appointments
- 1.5.9 It is proposed that Dr Stuart Green, the existing co-opted member and Deputy Chair of the Committee be appointed as Chair of the Audit Committee. This will provide continuity of service and mean that the Committee has a Chair with a firm understanding of the type of business and dealt with by the Committee. The proposal also offers the benefit of a Chair who has an understanding of those matters which require historic knowledge, such as the delays in the sign off for the Authority's accounts.
- 1.5.10 In addition to being Deputy Chair of the Audit Committee for the last 2 years, Dr Green has significant experience of local government and other public sector organisations and either holds, or has held, positions of importance in those organisations.
- 1.5.11 Council will be aware that Dr Green is currently one of three Independent Persons appointed by the Authority whose views are sought and taken into account by the Authority in relation to any Code of Conduct complaint received by the Monitoring Officer. Should any potential conflicts of interest arise in relation to his role as Chair of the Audit Committee, he would not take part in any Code of Conduct activity. As Dr Green would be a non-voting co-opted member of the Audit Committee there are no issues under the provisions of the Localism Act 2011 that would preclude him from undertaking both roles.

- 1.5.12 It is proposed that Lisa Sproats is appointed as Deputy Chair. Lisa Sproats is a resident of North Tyneside, a qualified accountant and currently Chief Finance Officer for a leading, national college group and leads the Finance, Payroll & Pensions, Sub-contracting, Assurance, Data Protection, Legal and Procurement functions in that group.
- 1.5.13 Lisa Sproats is heavily involved with the Corporation Board and Audit Committee of her employer which provides her with insight and a very different perspective on governance, risk management.
- 1.5.14 Lisa Sproats has relevant Committee experience as a Member of the Teachers' Pension Scheme Board and its Audit Committee.

1.6 Decision options:

The following decision options are available for consideration by Council:

Option 1

Endorse the recommendation of the Chief Executive and Director of Resources as the Authority's Section 151 Officer and appoint Dr Stuart Green as co-opted Chair of Audit Committee for a term of two years and Lisa Sproats as co-opted Deputy Chair of Audit Committee for a term of two years.

Option 2

Do not endorse the recommendation of the Chief Executive and Director of Resources as Section 151 Officer and request that a new recruitment process is undertaken.

1.7 Reasons for recommended option:

Option 1 is recommended for the following reasons:

This ensures that the current vacancy for a co-opted member on Audit Committee is filled and those co-opted members have a relevant mix of skills, experience and knowledge to support the needs of Audit Committee in the short, medium and long term.

1.8 Appendices:

None.

1.9 Contact officers:

Jon Ritchie, Director of Resources / Section 151 Officer, tel. (0191) 643 6476

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) The Authority's Constitution.

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The appointed co-opted members will receive an annual allowance. Allowances for the Committee Chair and Deputy Chair are included in the 2024/25 budget. There are no other direct financial or resource implications associated with the recommendation in this report.

2.2 Legal

There are no direct legal implications arising from the recommendation in his report. Appointment to these posts does fulfil the requirement of the Authority's Constitution to have 2 co-opted members of Audit Committee who will fulfil the roles of Chair and Deputy Chair.

The appointment of the Chair and Deputy Chair and the Audit Committee is a matter for full Council.

2.3 Consultation/community engagement

There has been no consultation on the recommendation made in this report. In line with the Authority's Constitution the Chief Executive and Section 151 Officer are making a recommendation on appointment of co-opted members to Audit Committee which is a matter reserved to the full Council.

2.4 Human rights

The contents of the report are consistent with the requirements of the Human Rights Act 1998.

2.5 Equalities and diversity

We are committed to fair and inclusive practice. Our hiring outcomes have been made in line with our recruitment principles.

2.6 Risk management

The recruitment and selection process considered the skills, experience and knowledge required by co-opted members and Audit Committee as a whole. The recommendation in this report mitigates the risk that Audit Committee do not have an appropriate balance and mix of skills, experience and knowledge.

2.7 Crime and disorder

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

2.8 Environment and sustainability

There are no direct environment and sustainability implications arising from this report.

PART 3 – SIGN OFF

- Chief Executive
- Director(s) of Service
- Mayor/Cabinet Member(s)
- Chief Finance Officer
- Monitoring Officer
- Assistant Chief Executive