

North Tyneside Council

Report to Council

Date: 22 September 2022

Title: Audit Committee - Appointment of co-opted member

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| Portfolio: | Finance and Resources | Cabinet Member: | Councillor Martin Rankin |
| Report from Service Area: | Resources Directorate | | |
| Responsible Officer: | Jon Ritchie, Director of Resources | (Tel: (0191) 643 6476) | |
| Wards affected: | All | | |

PART 1

1.1 Executive Summary:

The purpose of the report is to appoint the Chair of the Audit Committee and to appoint a new independent co-opted member to serve as Deputy Chair of the Audit Committee.

1.2 Recommendations:

It is recommended that Council:

- (1) Appoint Mr Malcolm Wilkinson as the non-voting Chair of the Audit Committee for a 2-year term; and
- (2) Appoint Dr Stuart Green as the non-voting Deputy Chair of the Audit Committee for a 2-year term.

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 17 August 2022.

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 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. The Co-opted members would serve for a two-year term.
- 1.5.3 In 2013, following an advertisement and recruitment process, Mr Kevin Robinson and Mr Malcolm Wilkinson were appointed as the two co-opted members, Mr Robinson has fulfilled the role of Chair of the Committee with Mr Wilkinson as the Deputy Chair.
- 1.5.4 Mr Robinson has now resigned from his positions as co-opted member and Chair of the Audit Committee. As a result, there is now a vacancy. The Council is recommended to appoint the existing co-opted member and Deputy Chair, Mr Malcolm Wilkinson, as the Chair of the Committee. Mr Wilkinson has over 8 years' experience serving on the Audit Committee, has chaired meetings effectively in Mr Robinson's absence and has brought his own professional experience and expertise to the operation of the Committee. Mr Wilkinson has indicated that he is willing to fulfil the role of Chair.
- 1.5.5 As a result of Mr Robinson's resignation, a recruitment process to seek a suitably skilled and experienced person who is knowledgeable in audit matters and likely to enhance the work of the Audit Committee has been carried out. Dr Stuart Green has been identified as a suitable candidate to carry out the role of Deputy Chair of the Audit Committee. He has a wealth of professional experience in audit and accounting.
- 1.5.6 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 Deputy Chair and co-opted member 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 it has been confirmed that there are no issues under the provisions of the Localism Act 2011 that would preclude him undertaking both roles.

1.6 Decision options:

The following decision options are available for consideration by Council:

Option 1

Appoint Mr Wilkinson as the Chair of the Audit Committee and Dr Green as Deputy Chair of the Audit Committee

Option 2

Appoint either Mr Wilkinson or Dr Green as the Chair of the Audit Committee

Option 3

Do not appoint to the role of Chair of the Audit Committee and to the role of Co-opted member of the Audit Committee.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

Option 1 is recommended because Mr Wilkinson has sufficient experience serving on the Audit Committee and chairing meetings. He has indicated that he is willing to undertake the role. If Mr Wilkinson were not appointed Chair, he would remain Deputy Chair and a process to recruit a Chair of the Audit Committee would be required.

Dr Green has been identified as a suitable candidate to be a co-opted member of the Audit Committee and to fulfil the role of Deputy Chair. Both the Chief Executive and the Section 151 Officer are in agreement that Dr Green would be a suitable appointment. If Dr Green was not appointed as a co-opted member, a new recruitment process would be required.

1.8 Appendices:

None.

1.9 Contact officers:

Richard Dunlop, Interim Head of Internal Audit and Risk Management, Tel. (0191) 643 5738

Marc Oldham, Acting Group Assurance Manager, Internal Audit and Risk Management, Tel. (0191) 643 5711

Dave Parkin, Democratic Support Officer, Law and Governance, Tel. (0191) 643 5316

Claire Emmerson, Senior Manager Financial Strategy and Planning, Tel. (0191) 643 8109

1.10 Background information:

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

(1) North Tyneside Council Constitution 2022, [constitution](#).

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, currently £1,111.00 per year, based on one third of the special responsibility allowance of the Chair of a major committee. Further, a special responsibility allowance for the independent Deputy Chair of the Audit Committee, currently £777.00 per annum, should be one third of the special responsibility allowance of the Deputy Chair of a major committee.

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 the Chartered Institute of Public Finance and Accountancy (CIPFA). Allowances payable to the Chair and Deputy Chair are in accordance with the Local Authorities (Members Allowances) (England) Regulations 2003.

The Authority is required under the Localism Act 2011 (the 2011 Act) to have arrangements in place for dealing with complaints made against Members and Co-opted Members of the Authority and as part of those arrangements it must appoint at least one “independent person” whose views are taken into account before any decision is taken in relation to such complaints.

The 2011 Act sets out who cannot be an “independent person” for the purposes of the Standards regime. Those excluded from being an independent person are co-opted members of the Authority. However, the 2011 Act defines a “co-opted member” for the purposes of the Standards regime as being a person who is not a member of the Authority but who is a member of the committee/sub-committee and who is entitled to vote. As stated in the report, Dr Green is not entitled to vote on any question that falls to be decided by the Audit Committee or any Audit Sub-Committee and therefore he cannot be a “co-opted member” for the purposes of the 2011 Act and can therefore continue to be an independent person for the purposes of the Authority’s Code of Conduct arrangements.

2.3 Consultation/community engagement

Mr Wilkinson has been consulted on the proposal to appoint him as Chair. Both the Chief Executive and the Section 151 Officer have been consulted

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 member's position was carried out in accordance with the requirements of the Equality Act 2010.

2.6 Risk management

A risk assessment has not been undertaken in connection with this matter. The consequences of not appointing Mr Wilkinson as Chair and Dr Green as Deputy Chair are set out in paragraph 1.7.

2.7 Crime and disorder

There are no crime and disorder implications arising directly 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 X
- Director(s) of Service X
- Mayor/Cabinet Member(s) X
- Chief Finance Officer X
- Monitoring Officer X
- Assistant Chief Executive X