

<b>Report to:</b>	Strategy and Resources Committee	<b>Date:</b>	8 July 2019
<b>Report title:</b>	Appointment of Audit Independent Person		
<b>Report from:</b>	Strategic Director of Resources		
<b>Ward/Areas affected:</b>	Borough Wide		
<b>Chair of Committee/Lead Member:</b>	Councillor Ruth Dombey, Leader of the Council Councillor David Hicks, Vice Chair of Audit and Governance Committee		
<b>Author(s)/Contact Number(s):</b>	Alexa Coates, Head of Committee and Management Support, 020 8770 5094		
<b>Corporate Plan Priorities:</b>	<ul style="list-style-type: none"> <li>• Making Informed Choices</li> </ul>		
<b>Open/Exempt:</b>	Open		
<b>Signed:</b>		<b>Date:</b>	26 June 2019

## 1. Summary

- 1.1 This report is presented for members to consider the appointment of an Independent Persons to the Audit and Governance Committee for audit matters. CIPFA guidance recommends a balanced membership to audit committees, with the right mix of apolitical expertise. The recruitment of an Independent Person supports this aim, by bringing independent assurance to Councillors on audit matters.

## 2. Recommendations

- 2.1 To recommend to Council the appointment of David Parrett as the Independent Person to the Audit and Governance Committee for audit matters
- 2.2 To recommend to Council amendments to article 8 of the Council's Constitution as set out in paragraph 4.3

## 3. Background

- 3.1 The Audit and Governance Committee is a key component of the Council's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

3.2 The independence of the committee is strengthened, by bringing independent assurance to Councillors of the adequacy of the risk management framework and the internal control environment, with the appointment of a suitably qualified independent person to advise on audit matters. It is proposed that this person would be co-opted onto the committee as a non-voting member. Currently Standards Independent Members are invited to attend Audit and Governance Committee meetings in an advisory capacity. The Audit Independent member will be appointed as a co-optee as the role is different to that of the Independent Persons who are appointed in accordance with the Localism Act 2011.

#### 4. Issues

4.1 Following discussions with the chair and vice chair of the Audit and Governance Committee, a role profile and job advert were prepared and advertised on the Council's job website. The role also featured on the Council's social media channels, in an online advertising campaign via the Sutton Guardian, and was circulated among members by email.

4.2 Overall, 7 applications were received, 3 candidates shortlisted and 1 interviewed. The interview panel consisted of the chair and vice chair of the committee along with the Council's Section 151 officer who has responsibility for audit matters in the Council. Following the completion of a successful selection process the committee are asked to recommend to Council the required Constitutional changes and appointment of David Parrett as the independent member.

4.3 Article 8 of the Council's Constitution sets out the composition of the Audit and Governance Committee. Suggested amendments are set out below (the current text is in *italic* and additions are underlined):

#### Composition

8.4 *Only one member of the Strategy and Resources Committee, per political group, may be a member of the Audit and Governance Committee.*

*The Leader of the Council may not be a member of the Audit and Governance Committee.*

*The Chair of the Audit and Governance committee may not be a member of Strategy and Resources Committee.*

*The Vice-Chair of the Audit and Governance Committee will come from the principal opposition group and lead on audit matters.*

8.5 Standards Independent Person(s) are invited to attend in an advisory, non-voting capacity.

8.6 Council may appoint an Audit Independent Person, co-opted to the committee in a non-voting capacity

The following restrictions apply to the Audit Independent Person. They must not:

- be a councillor or officer of the Council or have been so in the preceding five years prior to appointment
- be related to, or a close friend of, any councillor or officer of Sutton Council.
- have been convicted of any offence. The Council has the right to CRB check any independent committee members.
- be an undischarged bankrupt
- have significant business dealings with the Council
- have a formal connection with any political group
- have a proven history of vexatious and/or frivolous complaints against Sutton Council.
- be the holder of a significant office in an organisation being grant aided/supported by the London Borough of Sutton.

## 5. Options Considered

- 5.1 There is no statutory requirement to appoint an Independent Member to the Audit and Governance Committee. CIPFA guidance recommends a balanced membership to audit committees, with the right mix of apolitical expertise. The recruitment of an Independent Person supports this aim.

## 6. Impacts and Implications

### Financial

- 6.1 No allowance will be paid to members of the Council's Committees and Sub-Committees who are not Councillors. However, Co-Opted Members are entitled to claim a travel allowance when on Council business both inside and outside the borough. Any travel allowance claims can be accommodated within existing budget provisions.

### Legal

- 6.2 The appointment of an Audit Independent Person to the Audit and Governance Committee is not a statutory requirement but assists the Council with ensuring an independent and objective perspective is brought to the audit work of the committee.

## 7. Appendices and Background Documents

Appendix letter	Title
A	Independent Person Role Profile and Person Specification

<b>Background documents</b>
None

<b>Audit Trail</b>		
Version	Final	Date: 26 June 2019
<b>Consultation with other officers</b>		
Finance	Yes	Richard Simpson
Legal	Yes	Tracy Swan
Equality Impact Assessment required?	No	N/A