

**BRISTOL CITY COUNCIL**

**Audit Committee**

**2<sup>nd</sup> May 2014**

**Report of:** Mark Taylor – Finance Director, S151 Officer

**Title:** The extension of the current Independent Member appointments to the Audit Committee.

**Ward:** N/A

**Officer Presenting Report:** Melanie Henchy-McCarthy , Chief Internal Auditor

**Contact Telephone Number:** 0117 92 22063

**RECOMMENDATION**

To agree to extend the membership of the current Independent Members of Audit Committee.

**Summary**

The report seeks approval from the Audit Committee to extend the current Independent Members appointments for up to three years.

**The significant issues in the report are:**

As set out in the report.

**Policy**

1. Not applicable

**Consultation**

2. Internal

Not applicable

### **3. External**

Not applicable

#### **Context**

- Audit Committee Membership is not statutory but the Chartered Institute for Public Finance and Accountability (CIPFA) guidance states that in order to be effective, an audit committee needs a membership that has knowledge, experience and interest in the field. The Audit Committee had benefited from Independent members with financial awareness and independence of thinking to provide objective perspectives.
- The independent members were appointed by way of public advertisement, applying Nolan principles and mirroring the process that took place for the Standards Committee external appointments, prior to its dissolution.
- There is no statutory requirement for appointment of Independent Members on the Audit Committee and therefore no legal restriction on the amount of time they can sit on a Committee. However, it is important to ensure that Independent Members do not become closely aligned to the Council and remain independent. The former Bristol City Council Standards Committee guidance suggested that the appointment of Independent members should be limited to a maximum of two, four year terms.
- The current Independent Members were appointed in 2009. Both terms were extended for one year in 2013. The Audit Committee are asked to approve an extension of the following appointments of up to three years, whilst allowing for a staggered cessation of tenure in order to minimise the impact of the loss of expertise;
  - Ken Guy – appointed to the Audit Committee in July 2009
  - Brenda McLennan – appointed to the Audit Committee in October 2009.
- Extending the appointments would ensure continuity for the Audit Committee and adhere to standards guidance.

#### **Proposal**

4. To extend the appointment of Audit Committee Independent Members Ken Guy and Brenda McLennan by up to three years.

#### **Other Options Considered**

5. a. To continue with no Independent Members on the Audit Committee

There is no statutory requirement for appointment of Independent Members on Bristol City Council's Audit Committee. However, the Audit Committee have repeatedly noted that the contribution of the Independent members has been valuable.

- b. To recruit new Independent Members to sit on the Audit Committee

Recruitment of Independent Members has been challenging in the past, with few applicants with the necessary experience and skills required to make a valuable contribution to the Audit Committee meetings. It would be beneficial to review the recruitment process prior to future recruitment.

## **6. Risk Assessment**

There are no issues arising from this report.

## **7. Public Sector Equality Duties**

There are no issues arising from this report.

## **8. Legal and Resource Implications**

### **Legal**

Contained throughout.

### **Financial**

The appointment of an Independent Member attracts a co-opted member payment of £577 per annum, which can be contained within the existing budgetary provision.

### **Land**

Not applicable

### **Personnel**

Not applicable

## **Appendices:**

None

## **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

### **Background Papers:**

None