



NORWICH City Council

Report title: Appointment of an Independent Person to the Audit Committee

Portfolio: Councillor Kendrick, Cabinet Member for Resources

Report from: Alistair Rush - Interim Director of Finance and S151 Officer

Wards: All wards

OPEN PUBLIC ITEM

Purpose

To recommend to Council the appointment of an independent person to the Audit Committee.

Recommendations

That the Committee recommends to Council:

1. The appointment of an independent person to sit on Audit Committee for a period of two years; and
2. Approval of the advert, role description, skills and competencies and person specification at Appendix A & B.

Policy Framework

The Council has five corporate priorities, which are:

- An open and modern council.
- A prosperous Norwich.
- A fairer Norwich.
- A climate responsive Norwich.
- A future-proof Norwich

This report meets the 'An open and modern council' priority.

Report

The Audit Committee is a fundamental component of corporate governance. It is a key source of assurance about the Council's arrangements for managing risk, maintaining an effective control environment, and reporting on financial and non-financial performance.

Independent members with appropriate skills and experience supplement those of the elected members and improve the effectiveness of the Audit Committee. The independent member (IP) would be a non-councillor with, ideally, some experience in the area of audit. The IP would not have a vote in the same way as councillors do at committee and will be there in an advisory consultative manner.

A suitably qualified and experienced IP serving on the Audit Committees can also bring specialist knowledge and insight to the workings and deliberations of the committee which, when partnered with elected members' knowledge of working practices and procedures, ensure:

- An effective independent assurance of the adequacy of the risk management framework.
- Independent review of the Authority's financial and non-financial performance.
- Independent challenge to and assurance over the Authority's internal control framework and wider governance processes.
- Oversight of the financial reporting process.

It is recommended that recruitment should be on a competitive basis following the Council's rules, including an open advertisement and interviews. Reasonable travel and other expenses will be paid to the person concerned. A draft person specification for the role is attached as **Appendix B**.

1. Consultation

There has been no specific consultation on this report.

2. Implications

2.1. Financial and Resources

Any costs associated with the recruitment, selection, appointment, and subsequent disbursements to any independent panel members would need to be contained from within existing revenue service budgets.

2.2. Legal

The Council's Audit Committee is defined by the Local Government Act 2000 and its purpose is to give assurance to elected members and the public about the governance, financial reporting, and performance of the Council. The appointment of independent members on the committee will assist and promote good governance and scrutiny of the committee.

Statutory considerations

Consideration	Details of any implications and proposed measures to address:
Equality and Diversity	Applications for the position of Independent Person to the Audit Committee will be open to all residents over the age of 18.
Health, Social and Economic Impact	This report does not have direct health, social or economic implications; it provides details on the recruitment, selection, and appointment of an independent panel member.
Crime and Disorder	This report does not have direct implications for crime and disorder; it provides details on the recruitment, selection, and appointment of an independent panel member.

Consideration	Details of any implications and proposed measures to address:
Children and Adults Safeguarding	This report does not have direct safeguarding implications; it provides details on the recruitment, selection, and appointment of an independent panel member.
Environmental Impact	This report does not have direct environmental implications; it provides details on the recruitment, selection, and appointment of an independent panel member.

3. Risk Management

Risk	Consequence	Controls required
The lack of independent members on the Audit Committee could be seen to weaken the role the community plays in the internal control and governance of the Council.	The lack of suitably qualified and experienced independent member serving on Audit Committee would mean that there would be a lack of specialist knowledge and insight to the workings and deliberations of the Committee.	Adequate vetting procedures would be required and an adherence to the Person Specification.

4. Other options considered.

Not to appoint a suitably qualified and experienced independent member would mean a lack of specialist knowledge and insight into the workings and deliberations of the Audit Committee.

5. Reasons for the decision/recommendation

It is important for the Audit Committee to have access to an IP with the appropriate skills and experience to supplement those of the elected members and improve the effectiveness of the Committee.

Background papers: None


Appendices:

Appendix A – Advert - Advisor – Audit Committee Norwich City Council

Appendix B - Role description, skills and competencies and person specification for Independent Person

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Appendix A

Advisor – Audit Committee Norwich City Council

The Audit Committee at Norwich City Council are seeking an experienced advisor to attend regular meetings where you will sit alongside elected Councilors to review the Council's governance, risk management and control processes.

As an independent non-voting member of the Committee (advisor) you will provide an external perspective to assist the Committee to discharge its responsibilities in line with the terms of reference. The Audit Committee's purpose is to monitor governance, risk management, the statement of accounts and internal control arrangements, to provide independent assurance that these are effective and efficient. This is achieved through the review of key items received by the Committee in relation to, but not limited to; internal and external audit, key finance items, governance reviews and strategic risk management reporting.

We are looking to appoint an independently minded person with a broad understanding of the financial, risk, control and corporate governance issues that the authority will face. Ideally, you should have experience of local government, but this is not essential. The committee will meet approximately 5 times per year, and there will be other calls on your time, such as training events and time become familiar with the Council's governance arrangements. A committee attendance allowance and out of pocket expenses will be provided. The period of appointment will be for an initial three years.

Further information, including a person specification and the terms of reference for the Audit Committee, is available from the Council's website, www.norwich.gov.uk, or the address below.

Letters of expressions of interest should set out what you could contribute to the role and an accompanying CV should be submitted by **X**, with interviews **Y**. These should be marked confidential and addressed to:

Appendix B

AUDIT COMMITTEE – ADVISOR ROLE PURPOSE

To act as an independent non-voting member of the Audit Committee which is responsible for overseeing effective governance, risk management, internal controls and financial reporting.

As an independent member of the Audit Committee your role purpose is:

- To ensure that effective internal and external audit functions are in place, alongside an adequate internal control environment
- To review internal audit plans, the annual internal audit opinion, internal audit reports and progress against recommendations
- To review the annual statement of accounts
- To review strategic risk management, ensuring adequate risk processes and policies are in place
- To develop effective relationships with the other members of the Audit Committee and Council officers

PERSON SPECIFICATION

Experience

You will be a person who has experience working in a medium/large organisation at a senior level or other experience which would give similar benefits.

Ideally, you should have experience of local government, but this is not essential.

Risk management or financial management experience (accountancy, audit or management of a large budget) would be advantageous.

Skills

Ability to understand complex issues and the importance of accountability and probity in public life.

Ability to analyse and assess evidence and come to a rational conclusion.

Ability to reconcile the ideal with reality and practicality

Ability to demonstrate objectivity.

Ability to demonstrate integrity and discretion.

Must possess effective interpersonal skills.

Knowledge

Some knowledge of local government would be useful.

Knowledge of corporate governance arrangements in either public or private sectors would be beneficial.

Knowledge of risk management.

Commitment

This post will take up about five half days per annum for meetings plus preparation time.

Other

All Councillors and Officers are expected to comply with a Code of Conduct. Whilst this post is not required to comply with a formal Code, applicants should be mindful of the expectation that on an ongoing basis, the advisor would be expected to operate in line with the Nolan Principles of Public Life, and not undertake action which could be seen to bring their role into disrepute.

You must not be a councillor or officer of the council or have been so in the preceding five years prior to appointment.

You must have no criminal convictions.

You must not be an undischarged bankrupt.

You should have no significant business dealings with the council.

You should have no connection with any political party

Payment

This public office does not command a salary; however a modest allowance will be paid together with reimbursement for travelling and subsistence expenses.