

Cheltenham Borough Council
Audit Committee – 18 June 2014
Appointment of Independent Members

Accountable member	Chair of Audit Committee
Accountable officer	Mark Sheldon, Director of Resources
Ward(s) affected	N/A
Significant Decision	No
Executive summary	The Audit Committee has 7 elected members and is politically balanced. This report considers the benefits of appointing independent members to Audit Committee and makes an onward recommendation to Council regarding appointment of non-voting co-optees.
Recommendations	The committee recommends to Council that i) the terms of reference of the Audit Committee be amended to allow it to appoint up to 3 co-optees as non-voting members ii) it authorises the Borough Solicitor and Monitoring Officer to make any necessary changes to the Constitution iii) it agrees a selection/appointment procedure for appointment of the co-optees

Financial implications	If the co-optee was elected as chair then Council would need to determine whether they are eligible to receive the SRA. There would be no cost implications if the level of the SRA remain unchanged. Co-optees on other committees are currently paid travelling expenses but no allowances. Contact officer: Mark Sheldon, Director of Resources, mark.sheldon@cheltenham.gov.uk, 01242 26 4123
Legal implications	Whilst the principle of appointment of co-optees to Committee must be agreed by Council, the actual appointment of co-optees can be made by Committee. Co-optees are not entitled to vote nor do they have a right to attend Council meetings (save in their capacity as a member of the public). In theory, a co-optee can be elected as chairman but they would not have a second or casting vote. They are bound by the Committee Procedure Rules and also the Code of Members' Conduct. Contact officer: peter.lewis@tewkesbury.gov.uk, 01684 272012
HR implications (including learning and organisational development)	<i>None identified at this stage.</i>

Key risks	These should be considered by the Audit Committee before it makes any recommendations to Council.
Corporate and community plan Implications	Strengthening our communities by involving local residents in the democratic process
Environmental and climate change implications	None
Property/Asset Implications	None Contact officer: David Roberts@cheltenham.gov.uk

1. Background

- 1.1** Following the recent borough elections, Council appointed 7 elected members and a Vice Chair of Audit Committee at Selection Council on 2 June 2014. It did not appoint a chair in the expectation that Audit Committee would elect a Chair at its first meeting.
- 1.2** It has been suggested that Audit Committee may benefit from having some independent members as co-optees. These could potentially be a previous member of the committee who is no longer an elected member.
- 1.3** The report to Council in December 2006 made the following reference to co-optees in paragraph 3.14/3.15:

“Often the injection of an external view through co-option can be beneficial; these members of the committee may not have voting rights, which allows flexibility in co-option and retains the decision-making function with permanent members of the audit committee...”

Although not explicit in the guidance the implication is that a dedicated Audit Committee can look to appoint members with skills and interests specific to this area. The committee benefits from Members with financial awareness, independence of thinking and a balanced approach to significant issues and from Members recognising and valuing the audit function. All members of the Committee would be given appropriate training to ensure they could build up their knowledge and expertise.”

- 1.4** There is still a prevalent view nationally that there is value in having co-opted members on the Audit Committee and the Head of Audit Cotswolds is supportive of this approach.

2. Appointment and Selection of independent member

- 2.1** The Audit Committee will need to consider a process for recruiting and appointing elected members. One suggestion would be to advertise the vacancy in the local media or ask Councillors to put forward any nominations. Members would need to determine what skills they think are required and how they would evaluate any applicants.

3. Reasons for recommendations

- 3.1** The report has been brought to the committee as a result of a suggestion from a Group Leader and the advantages are set out in paragraph 1.3.

4. Alternative options considered

- 4.1** Continue with the current make up of the committee.

5. Consultation and feedback

- 5.1 The Chief Executive has consulted with Group Leaders as part of this process and they felt it was a matter that should be considered by the committee. The importance of a co-opted chair being independent was highlighted and the need for an open appointment process.

6. Performance management –monitoring and review

- 6.1 Not applicable

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Appendices	None
Background information	None