

**COUNCIL: 27 FEBRUARY 2014**

**AGENDA ITEM: 10**

**REPORT OF COUNTY CLERK & MONITORING OFFICER**

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**AUDIT COMMITTEE – INDEPENDENT MEMBER APPOINTMENTS**

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**Reason for this Report**

1. To seek approval for the recruitment and appointment of new Independent Members of the Audit Committee.

**Background**

2. Under the Local Government Measure 2011 it became a requirement that all Councils had to establish an Audit Committee and appoint at least one independent person to that Committee.
3. In Cardiff, the former Audit Panel, consisted of four independent Members and three Councillors. The Independent Members were selected through public advertisement and subsequent interview, and appointments were made by the Corporate Director, Resources, the Chair of the Audit Committee and the Audit & Risk Manager, with advice from HR People Services.
4. When the new Audit Committee was established in May 2012, it was agreed that the four Independent Members of the Audit Panel should all transfer to the new Committee. The appointment of the current four Independent Members was duly approved at Annual Council on 17 May 2012.
5. The current composition of the Audit Committee, as approved at Annual Council in May 2013, consists of eight Councillors and four Independent Members. The proportion of Independent Members is one third of the Committee members, which is the maximum permitted under the Measure.
6. The Statutory Guidance issued under the Measure recommends that Independent Members should serve for no more than two administrative terms. Councillors are appointed to the Committee each year at Council in May.

7. Audit Committee provides a report on its activities, which it presents to Council annually.

### **Issues**

8. The Audit Committee currently has one Independent Member vacancy. Further, if the interviews are successful, and more than one candidate is suitable, then a current Independent Member has expressed a wish to step down.
9. The appointment of Independent Members of the Audit Committee is the responsibility of Council.
10. At its meeting on the 20 January 2014, the Audit Committee agreed the following, subject to the approval of Council:
  - an interview panel be formed to select a new independent member(s);
  - a reserve list of Independent Members be formed, if possible, to be called upon as and when vacancies arise;
  - an appointment process, following the same lines as the Standards & Ethics Committee, be followed; and
  - the appointment of one new Independent Member to fill the current vacancy be concluded, if possible, prior to the June meeting of the Committee.
11. The Guidance on the Measure recommends that councils follow a public recruitment exercise, similar to that used to appoint independent members of standards committees. The recruitment of independent standards committee members is governed by regulations (SI 2001/2283), key requirements of which include public advertisements and the establishment of an Appointments Panel to make recommendations on appointment to full Council.
12. The terms of office of 3 (out of the 5) independent members of the Standards & Ethics Committee are due to expire in July 2014, and the Monitoring Officer has been delegated authority to commence a recruitment process for new independent member appointments, in accordance with the regulations.
13. It is recommended that, in accordance with the Guidance on the Measure, the Council recruits independent members of the Audit Committee following a public recruitment exercise similar to that required for the Standards & Ethics Committee; and delegates authority to the Corporate Director, Resources, to make the necessary arrangements and appointments.
14. In addition to filling the current vacancy for one independent member, it is proposed that any additional suitable candidates be placed on a reserve list for any future vacancies which may arise within 6 months of the first appointment.

15. Members may wish to note that, as the Standards Committee is also currently recruiting independent members, certain aspects of the recruitment process, for example, advertisements, may be combined in the interests of expediency and minimising costs.

### **Legal Implications**

16. The relevant legal provisions are set out in the body of the report.

### **Financial Implications**

17. The cost of the appointments process (e.g. the publication of public advertisements) will be met from within existing resources.

### **RECOMMENDATION:**

The Committee is requested to:

- (i) Note the content of the report; and
- (ii) Authorise the Corporate Director, Resources to progress the recruitment of new independent members of the Audit Committee and conclude the appointments, to fill the current vacancy and any future vacancies which may arise within a period of 6 months from the date of the first appointment, following a public recruitment exercise similar to that used to appoint independent members of the Standards & Ethics Committee.

**MARIE ROSENTHAL**  
**County Clerk and Monitoring Officer**  
**5 February 2014**