

Report for: Audit Committee – 14 December 2023

Item number: 12

Title: Appointment of Non –Voting Independent Advisors to the Audit Committee

Report authorised by : Director of Finance

Lead Officer: Minesh Jani, Head of Audit and Risk Management
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Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** Non-key

1. Describe the issue under consideration

2. In line with the Council’s Constitution, Committee Standing Orders, Paragraph 2, that the Council may resolve that non-voting members, assessors and advisers shall also be appointed to any such committee or other body, and shall hold office until the annual meeting in the year following their appointment or for so long as the Council deem appropriate, whichever is the earlier; and if they resolve to make such appointments, shall specify the number of appointments to be made and the functions in relation to the body that each person so appointed may exercise, the appointment of the two independent non-voting members requires a recommendation from the Audit Committee to Full Council for approval. The Full Council received a paper on 27 March 2023 (see attached Appendix 1), setting out the need for the composition of an Audit Committee and subsequently agreed its membership and its Terms of Reference which included two non-voting independent advisors.

2. Cabinet Member Introduction

2.1 Not applicable.

3. Recommendations

3.1 The Audit Committee is asked to recommend to Full Council the appointment of the two independent non – voting advisors set out at paragraph 6.2 for a period of 4 years commencing on 1 October 2023 and ending on 30 September 2027.

3.2 The Audit Committee is asked to recommend to full Council that each independent adviser receive an allowance of £1,250.00 per annum.

4. Reasons for decision

4.1 CIPFA is the Chartered Institute of Public Finance and Accountancy (CIPFA) and a UK-based international accountancy membership and standard-setting body. This is a global body dedicated to public financial management.

4.2 CIPFA believes that improving public services is the key to changing lives for the better and that good public financial management is central to achieving this ambition. CIPFA Guidance outlines that the Audit Committee should be an independent and to be effective, provide the following:

- Be independent of executive decision making and scrutiny;
- Able to provide objective oversight with sufficient importance in the authority so that its recommendations and opinions carry weight and have influence with the leadership team and those charged with governance;
- Have rights of access to and constructive engagement with other Committees/functions, for example scrutiny and service Committees, corporate risk management boards and other strategic Groups;
- Have rights to request reports and seek assurances from relevant officers;
- be of an appropriate size to operate as a cadre of experienced, trained Committee Members. Large Committees should be avoided;
- include at least two co-opted independent Members to provide appropriate technical expertise;
- meet regularly, at least four times a year, and have a clear policy on those items to be considered in private and those to be considered in public; and be able to meet privately and separately with the external auditor and with the head of internal audit.

4.3 The committee's purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. Its role in ensuring there is sufficient assurance over governance, risk and control gives greater confidence to all those charged with governance that those arrangements are effective. The committee has oversight of both internal and external audit, together with the financial and governance reports, helping to ensure there are adequate arrangements in place for both internal challenge and public accountability.

5. Alternative options considered

5.1 Not applicable.

6. Background information

6.1 Following the establishment of an Audit Committee and addition of its terms of reference to the Constitution which requires the inclusion of two independent non – voting members on the Audit Committee, the role of independent members was widely advertised regionally in Haringey. The appointment panel consisted of the Head of Audit and Risk Management, the Director of Finance and the Head of Legal and Governance. The appointment was conducted in line with the Council's HR process, who supported the appointment process.

6.2 Suitable candidates who had applied where short listed and interviewed from June to September 2023. Following the completion of this exercise, the panel appointed two independent advisors, in line with the process set out in the Full Council paper from 27 March 2023. The Chair of the Audit Committee was consulted during the appointment process and updated on the progress of the recruitment.

7. Contribution to strategic outcomes

7.1 The internal audit work makes a significant contribution to ensuring the adequacy and effectiveness of internal control throughout the Council, which covers all key Priority areas.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

8.1 Finance and Procurement

The Allowance of the two non – voting independent advisors will be met from the Democratic Services and Scrutiny budget as noted at Full Council on the 27th of March full Council meeting.

8.2 Legal

The Head of Legal and Governance has been consulted in the preparation of this report and notes that paragraph 2 of the Committee Procedure Rules contained in Part 4 of the Council's Constitution provides that "The Council may resolve that non-voting members, assessors and advisers shall also be appointed to any such committee or other body, and shall hold office until the annual meeting in the year following their appointment or for so long as the Council deem appropriate, whichever is the earlier; and if they resolve to make such appointments, shall specify the number of appointments to be made and the functions in relation to the body that each person so appointed may exercise.". Accordingly, if Audit Committee approves the recommendation in this report, Full Council shall be requested to approve the appointment of the independent members.

8.3 Equality

The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:

- tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- advance equality of opportunity between people who share those protected characteristics and people who do not;
- foster good relations between people who share those characteristics and people who do not.

As contracted providers of Haringey Council, the internal audit contractor is required to demonstrate a strong commitment to equality and fairness in their actions and work practices, and adherence to the Equality Act 2010. Ensuring that the Council has effective internal audit and assurance arrangements in place will also assist the Council to use its available resources more effectively.

9. Use of Appendices

Full Council Agenda from 27 March 2023.

10. Background Papers

10.1 None.