



Annual Council
14 May 2012

Subject: Appointment of Independent Members to the Audit Committee

Report by:

Deputy Monitoring Officer

Contact Officer:

Alan Robinson

Revenues Benefits and Customer services manager and Deputy Monitoring Officer

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01427 676509

Purpose / Summary:

To appoint Independent Members to serve on the Audit Committee.

RECOMMENDATION(S):

- 1) That the persons named in paragraph 3 be appointed to serve on the Audit Committee as from 14 May 2012 up to the Annual Council 2015.**

IMPLICATIONS

Legal: None related to this report.

Financial : There will be a payment of £38.18 for the first four hours of attendance and a second payment for attendance in excess of four hours. This can be met from the existing budget for payment to Members.

Staffing : None related to this report.

Equality and Diversity including Human Rights :
*NB: A full impact assessment **HAS TO BE** attached if the report relates to any new or revised policy or revision to service delivery/introduction of new services.*

Risk Assessment : N/A

Climate Related Risks and Opportunities : None related to this report.

Title and Location of any Background Papers used in the preparation of this report:

Call in and Urgency:

Is the decision one which Rule 14 of the Scrutiny Procedure Rules apply?

Yes

No

Key Decision:

Yes

No

1. Introduction

- 1.1 At the Annual Meeting of the Council in May 2010 it was agreed to appoint an Independent Member from outside of the Authority to serve on the Audit Committee.
- 1.2 An appointment was made in 2010 and subsequently extended until 2012. It was necessary therefore to re-advertise the post to appoint an independent member on the Governance and Audit Committee from 2012 onwards. It is proposed that the appointment in this instance be for three years to bring it in line with other appointments.
- 1.3 The local press was used to advertise the post and eight applications were received. Copies of the advertisement, letter and person specification are attached at Appendix A. Members have been sent a copy of the successful Applications under separate cover.
- 1.4 Shortlisting took place and three candidates were selected for interview, however one proved to be unavailable.

2. Interviews

- 2.1 Interviews were held on 19 April 2012 and the Panel consisted of Councillors Sue Rawlins and Jessie Milne, along with the Revenues Benefits and Customer Services Manager.
- 2.2 At interview, both candidates proved eminently suitable, so it was agreed that they both be appointed, as the Council's Constitution states "the committee will include **at least one** independent member".

3. Recommended for Appointment

- 3.1 It is **RECOMMENDED** that the persons named below be appointed to serve as Independent Members on the Audit Committee until the Annual Meeting of Council in May 2015.
 - **Mrs Alison Adams**
 - **Mr Steve Wallace**

West Lindsey District Council

WANT TO DO SOMETHING WORTHWHILE FOR YOUR LOCAL COMMUNITY?

WOULD YOU LIKE TO BE AN INDEPENDENT MEMBER OF WEST LINDSEY'S GOVERNANCE AND AUDIT COMMITTEE?

West Lindsey District Council is looking for an independent person who would like to be considered for membership of the Governance and Audit Committee. The Council is looking for someone who has knowledge of local government finance and who could demonstrate an ability to establish good working relationships with Councillors and managers.

The Council needs someone who is resident or working in the District, who is objective and politically independent, with the ability to analyse information, to join the Panel.

In return you can look forward to doing something interesting and worthwhile for the local community. You will be paid an allowance of £38.18 per meeting plus travelling expenses.

If this opportunity interests you but you would like to discuss it further without committing yourself, please telephone Alan Robinson, Revenues, Benefits and Customer Services Manager on 01427 676509. Alternatively, you can just request an information pack and application details by calling the same number or 01427 676594 / 5, or by email on committeeadmin@west-lindsey.gov.uk

Closing Date: 31st March 2012

The Council has a commitment to equal opportunities and welcomes applicants from all sections of the community. Also we operate a no smoking policy.



My Ref

Your Ref

Your contact for this matter is:

Alan Robinson
Direct Dial 01427 676509
Alan.robinson@west-lindsey.gov.uk

February 2012

Dear Sir/Madam

**Governance and Audit Committee
Appointment of Independent Member**

Thank you for your interest in being appointed as an Independent Member of the Council's Governance and Audit Committee.

Details regarding the appointment are attached and should you require any further information please do not hesitate to contact me.

There is no standard application form. Applicants are requested to submit their own application, in writing, outlining the reasons why they consider themselves suitable for appointment. Please return these by post or email to committeeadmin@west-lindsey.gov.uk by 30 March 2012.

Yours sincerely



Alan Robinson
Revenues Benefits and Customer Services Manager and Deputy Monitoring Officer



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THE COUNCIL – BRIEF OVERVIEW

The District of West Lindsey is the largest and most rural in the County of Lincolnshire in the East Midlands Region.

One of seven District areas in the County, West Lindsey includes villages to the North of the City of Lincoln, following the route of the river Trent and the Nottinghamshire border to the West, and bordering North Lincolnshire and North East Lincolnshire, the coastal district of East Lindsey, and North Kesteven to the South East.

The District covers 115,773 hectares (447 square miles), with the administrative centre in Gainsborough on the River Trent to the West and market towns of Caistor and Market Rasen to the East.

The topography of the District varies from the low Trent Valley to the West to the rolling hills bordering the Lincolnshire Wolds Area of Outstanding National Beauty in the East.

There are 25 wards in the district and where available information is presented at this level. The Council's political composition currently is:

Conservative Group:	21 Members
Liberal Democrat Group:	11 Members
Labour	2 Members
Independent	3 Member

The district is made up of 128 parishes of which 72 have parish councils and 39 smaller ones who have parish meetings.

One of the main features of the district is that people are spread across a large area – described as the sparsity factor. The mid year estimates for 2009 give the district a population of 88,600 and this is spread out at 0.76 people per hectare.

This ranges from Gainsborough, the principal town with nearly 9,000 houses, and the small towns of Market Rasen and Caistor that are smaller than some of our villages such as Saxilby with over 1,800 houses.

This factor affects the delivery of services in the District and is also an issue that is taken into account when looking at levels of deprivation in the district.

There are also great differences in the characteristics and levels of need across the district, with some wards ranking among the highest levels of deprivation in the Country, and others being amongst the most affluent.

For more detailed information about the Council and the District of West Lindsey please visit our website at www.west-lindsey.gov.uk.

“Governance & Audit Committees are about governance, financial reporting, and the performance of the whole authority.

Good corporate governance requires independent, effective assurance about the adequacy of financial management and reporting, enhancing public trust and confidence”

Having an independent Governance & Audit Committee is identified as good practice for local government, to give an independent view of the way that the Authority conducts its business.

Although this is not a legal requirement of the Authority, West Lindsey has elected to follow best practice to ensure that we gain the benefits from this independent view.

The benefits for operating an effective Governance & Audit committee are that it:

- Raises greater awareness of the need for internal control and the implementation of audit recommendations
- Increases public confidence in the objectivity and fairness of financial and other reporting
- Reinforces the importance and independence of internal and external audit and any other similar review process such as the Annual Governance Statement.

The role of the Governance & Audit Committee is to provide:

- Independent assurance of the adequacy of the risk management framework and the associated control environment in the Authority.
- Independent review of financial and non-financial performance as far as it affects the Authority’s exposure to risk and weakens the control environment.
- Assurance that any issues from the drawing up, auditing and certifying the annual accounts are properly dealt with and appropriate accounting policies applies.

The Governance & Audit Committee has responsibility for the following functions:

Audit Activity

- to consider the Head of Internal Audit's report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements
- to consider summaries of specific internal audit reports of significance or as requested
- to consider reports dealing with the management and performance of internal audit
- to consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale
- to consider the external auditor's annual letter, relevant reports, and the report to those charged with governance
- to consider specific reports as agreed with the external auditor
- to comment on the scope and depth of external audit work and to ensure it gives value for money
- to liaise with the Audit Commission over the appointment of the Council's external auditor
- to consider reports on Risk Management and Insurance

Regulatory Framework (Assurance Framework)

- to maintain an overview of the Council's Constitution in respect of contract and financial regulations and codes of conduct and behaviour
- to review any issues referred to it by the Chief Executive, director, or any Council body
- to monitor the effective development and operation of risk management and corporate governance in the Council
- to monitor Council policies on confidential reporting code, anti-fraud and anti-corruption policy and Council's complaint process
- to oversee the production of the Council's Annual Governance Statement and to recommend its adoption
- to consider the Council's arrangements for corporate governance and agree necessary actions to ensure compliance with best practice
- to consider the Council's compliance with its own and other published standards and control

Scrutiny and Adoption of Accounts

- to scrutinise the annual statement of accounts, specifically to consider whether appropriate account policies have been followed and whether there are any concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council and thereafter adopt.
- to consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.



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DISQUALIFICATIONS FOR APPOINTMENT

Appointment to Governance & Audit Committee

A. The Relevant Authorities (Standards Committee) Regulations 2001.

- (i) if a person has within the period of five years immediately preceding the date of the appointment been a member or officer of West Lindsey District Council;
- (ii) if a person is a serving member or officer of any other Relevant Authority; and
- (iii) if a person is a relative or close friend of a member or officer of West Lindsey District Council.

“relative” - means a spouse, partner, parent, parent-in-law, son, daughter, step-son, step-daughter, brother, sister, grandparent, grandchild, uncle, aunt, nephew, niece, or the spouse or partner of any of the preceding persons.

“partner” - means a member of a couple who live together.

“relevant authority”- includes a county council, a unitary council, a district council, a parish council.

B. Summary of Sections 80 and 81 of the Local Government Act 1972.

- (i) A person shall be disqualified from being appointed if he/she: -
 - (a) holds any paid office or employment with the Authority;

- (b) is a person who has been adjudged bankrupt or made a composition or arrangement with his/her creditors;
 - (c) has, within five years before the day of his/her appointment, been convicted of any offence and had passed upon him/her a sentence of imprisonment (whether suspended or not) for a period of not less than 3 months without the option of a fine;
 - (d) has been convicted of a corrupt or illegal practice under Part III of the Representation of the People Act 1983;
 - (e) is disqualified for membership for a specified period by Order of the Court because of his/her involvement in expenditure contrary to law; and
 - (f) is disqualified from membership for five years following an Auditor's certificate that a loss or deficiency has been caused by his/her wilful misconduct while a member of a local authority.
- (ii) The disqualification attaching to a person by reason of having been adjudged bankrupt ceases: -
- (a) on his/her discharge from bankruptcy unless the bankruptcy order made against the person is previously annulled; and
 - (b) if the bankruptcy order is so annulled, on the date of the annulment.
- (iii) The disqualification attaching to a person by reason of his/her having made a composition or arrangement with his/her creditors ceases: -
- (a) on the date on which payment is completed if he/she pays the debts in full; or
 - (b) in any other case, on the expiration of five years from the date on which the terms of the deed of composition or arrangement are fulfilled.

If you have any queries as to whether or not you may be disqualified from appointment, please ring Alan Robinson, Deputy Monitoring Officer, on (01427) 676509.

JOB DESCRIPTION

Governance & Audit Committee – Independent Person

Experience

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

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

Skills

- Able to understand complex issues and the importance of accountability and probity in public life.
- Able to analyse and assess evidence and come to a rational conclusion.
- Able to reconcile the ideal with reality and practicality.
- Able to demonstrate objectivity.
- Able to demonstrate integrity and discretion.
- Able to make decisions.
- 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 seven evenings per annum for meetings plus preparation time.

Other

- You must not be a Councillor or Officer of the Council or have been so in the preceding five years prior to the 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 group.

Payment

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

PERSON SPECIFICATION

Requirement	Essential	Desirable
1. Educational	Appropriate financial training and experience Knowledge of internal control and audit standards	Demonstrate continued updating of professional skills
2. Work Experience	Able to demonstrate the ability to work closely with politicians Experience of the internal control function in a large, multi-disciplinary organisation Operated within a formal risk management framework Worked for 10 years at a senior level	Previously chaired an audit committee or similar
3. Abilities, Intelligence & Special Aptitudes	Influencing and consensus building Listening skills	Knowledge of local government finance

Requirement	Essential	Desirable
4. Adjustment & Social Skills	<p>Ability to establish good working relationships with Councillors and managers</p> <p>Ability to manage and present information orally to groups in politically sensitive environments</p> <p>Able to demonstrate strong leadership</p> <p>Assertive in pursuing the correct course of action</p> <p>Able to work effectively with colleagues who may have different levels of experience and understanding</p>	<p>Diplomacy and tact</p> <p>Live in or have connections with the County</p>
5. Motivation	<p>Enthusiastic, not easily deterred and able to convey enthusiasm to others</p> <p>Committed to excellent public services</p>	
6. Equal Opportunities	<p>Understanding and commitment to promoting equality of opportunity in service delivery with an understanding of the issues underpinning these values</p>	