

Bolsover District Council

Council

7th September 2016

Appointment of co-optee to Audit Committee

Report of the Solicitor to the Council

This report is public

Purpose of the Report

- As Members are aware, sadly John Yates died recently. He was Chair of both the Audit Committee and the Standards Committee.
- This report proposes temporary arrangements to cover the Audit committee meeting in September and to commence the process for recruiting a new co-optee for the Audit Committee.

1 Report Details

1.1 The Audit Committee's Terms of Reference in the Constitution state:-

3. Membership and Structure of Meetings

The Audit Committee will have a membership of six plus one co-opted member and reflect the political composition of the Council. A quorum will constitute at least three members of the Committee, including the co-opted member.

The Chair and Vice Chair of the Committee will be elected from its membership.

- 1.2 As can be seen from this, the co-opted member is one of the quorum and therefore must be present for the meeting to proceed properly. Traditionally also the co-opted member is appointed as the Chair of the Committee.
- 1.3 The next meeting of the Audit Committee is the most important of the year. The Committee will consider the Statement of Accounts and recommend them to Council. This has to be done by 30th September. If the Committee is not quorate, this cannot be done.
- 1.4 As a temporary solution therefore, Council is being asked to appoint Mrs. Ruth Jaffray (currently the co-opted member on the Standards Committee) to the Audit Committee until such time as a replacement co-opted member is recruited and

Council is asked to appoint to the Audit Committee. Mrs. Jaffray is available and for the next meeting of the Audit Committee on the 21st September.

- 1.5 In addition, Council is asked to confirm that a recruitment exercise for a co-opted member to the Audit Committee should be undertaken. This will involve an advert on the website and an interview process.

2 Conclusions and Reasons for Recommendation

- 2.1 There is an urgent need to make a temporary appointment so that the Audit Committee can meet in September and deal with the Statement of Accounts in accordance with the Council's Constitutional requirements.
- 2.2 The only alternative course of action would leave the Council with a legal argument as to the interpretation of the Terms of Reference of the Audit Committee and whether the meeting was quorate or not. I believe the outcome would be that it is not quorate.
- 2.3 Unless members wish to change the Constitution (which I would not recommend doing midterm), there is a need to appoint another co-opted individual to the Audit Committee. Clearly this process should proceed in the meantime.

3 Consultation and Equality Impact

- 3.1 Formal consultation is not required.
- 3.2 There is no equality impact. However equality issues will be taken into account in the recruitment exercise for a new co-opted member.

4 Alternative Options and Reasons for Rejection

- 4.1 As discussed in the report.

5 Implications

5.1 Finance and Risk Implications

- 5.1.1 The risk implication is as outlined in the report, that the Audit Committee is not quorate. The meeting would then (arguably) not be legally held and the Council would have failed to approve its Statement of Accounts by due process and in accordance with its Constitution.
- 5.1.2 in terms of Special Responsibility Allowance, Mrs. Jaffray should be paid a proportion of the Chair's allowance covering the meeting.

5.2 Legal Implications including Data Protection

- 5.2.1 As above and in the report.

5.3 **Human Resources Implications**

5.3.1 None

6 **Recommendations**

6.1 That Mrs. Ruth Jaffray is appointed to the Audit Committee as the co-opted member until such time as the Council appoints.

6.2 That a recruitment exercise is undertaken for a new co-opted member on Audit Committee in line with the proposals in this report after consultation with Standards Committee

7 **Decision Information**

Is the decision a Key Decision? (A Key Decision is an executive decision which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
District Wards Affected	No
Links to Corporate Plan priorities or Policy Framework	No

8 **Document Information**

Appendix No	Title
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
None	
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