

Report – Audit and Risk Management Committee

Re-appointment of External Member (third term)

To be presented on Thursday, 18th October 2018

*To the Right Honourable The Lord Mayor, Aldermen and Commons of
the City of London in Common Council assembled.*

SUMMARY

1. At its meeting on 16 January 2014, the Court agreed to vary the procedure for the appointment of External Members to the Audit and Risk Management Committee in order to allow them to be appointed for three terms, albeit with a maximum of two terms being served as the norm.
2. Ms Hilary Daniels has served on the Audit and Risk Management Committee, as an External Member, since its inception in 2011 and her contributions to both the Committee and the Auditor Appointment Panel have been invaluable. Earlier this year, Ms Daniels was appointed as the Audit and Risk Management Committee's first External Deputy Chairman and has expressed a wish to serve for a third term. The Audit and Risk Management Committee would like to recommend this third appointment, for a three-year term, to the Court.
3. Members of the Court are also asked to note that the UK Corporate Governance Code (Guidance on Audit Committees) states that external appointments can be extended by no more than two additional three-year periods, so long as Members continue to be independent.

RECOMMENDATION

4. The Court is **recommended** to approve the appointment of Ms Hilary Daniels to the Audit and Risk Management Committee for a third term, expiring in 2022.

MAIN REPORT

Background

1. At its meeting on 9 September 2011, the Court agreed the procedure for appointing External (Independent) Members to the Audit and Risk Management Committee. Subsequent to this, on 16 January 2014, the Court agreed that the procedure be varied to allow existing External Members to be appointed for a further term, with a maximum of two terms being served as the norm. All three External Members of the Audit and Risk Management Committee have now been appointed for a second term and two have been appointed for a third term.
2. Members are asked to note that the UK Corporate Governance Code (Guidance on Audit Committees) states that appointments can be extended by no more than two additional three-year periods, so long as Members continue to be

independent. It is not unusual for Local Authorities to appoint External Members to both their Audit and Risk and Standards Committees for three terms.

Current position

3. Hilary Daniels' appointment as an External, Independent Member to the Audit and Risk Management Committee is due to expire in March 2019 and she has expressed a wish to serve for a further term.
4. Ms Daniels is a highly valued, skilled and qualified accountant, with over 25 years' experience, including:
 - Non-Executive Directorships of private, public and charitable bodies, also as a Chairman;
 - Audit Committee Chairmanship and External/Independent Member of Audit and Risk Committees;
 - Former Chief Executive and Director of Finance in the NHS;
 - Elected Member of the CIPFA (Chartered Institute of Public Finance and Accountancy) Council from 1994 to 2005;
 - Member of a number of Committees, including Disciplinary, Policy and Technical; Chairman of the Health Panel and the Education and Training Committee; President for the year 2003/04;
 - Hon. Treasurer and Trustee, or Independent Examiner, for a number of small and medium sized charities.

Options

5. If Ms Daniels is appointed for a further three-year term, this will have an additional benefit in that the terms of all three external members will expire at staggered intervals; i.e. 2020 and 2021 and 2022. In order to prepare for future appointments of External Members, the Audit and Risk Management Committee has established a Nominations Sub Committee.

Conclusion

6. Hilary Daniels is a highly valued, skilled and experienced External Member (and first External Deputy Chairman) of the Audit and Risk Management Committee; having served since its inception in 2011. The UK Corporate Governance Code (Guidance on Audit Committees) states that appointments can be extended by no more than two additional three-year periods, so long as Members continue to be independent. In order to keep a fresh perspective and to prepare for future appointments, the Audit and Risk Management Committee has established a Nominations Sub Committee to consider succession planning and the appointment of future External Members.

All of which we submit to the judgement of this Honourable Court.

DATED this 25th day of September 2018.

SIGNED on behalf of the Committee.

Ian David Luder, J.P., Alderman
Chairman, Audit and Risk Management Committee