

Report – Audit and Risk Management Committee

Appointment of Independent Members to the Independent Audit Appointment Panel

To be presented on 25th May 2017

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

SUMMARY

This report seeks approval of the appointment of Hilary Daniels, Kenneth Ludlam and Caroline Mawhood to the Independent Audit Appointment Panel. Members are asked to note that, for the City Fund, the Local Audit and Accountability Act requires the establishment of an Independent Auditor Appointment Panel (IAAP) to advise on the procurement process. Regulations issued under this Act include the requirement to advertise for Independent Members of the Panel. Although vacancies for external Members of the Audit and Risk Management Committee have previously been advertised, they did not include the Auditor Panel role. It was therefore necessary to advertise for three independent Members of the IAAP.

Three applications were received in response to the advertisement and the applications were from the three current external Members of the Audit and Risk Management Committee; Hilary Daniels, Kenneth Ludlam and Caroline Mawhood.

RECOMMENDATION

The Audit and Risk Management Committee is **recommending** that the Court of Common Council approve:

- the appointment of Hilary Daniels, Kenneth Ludlam and Caroline Mawhood to the Independent Audit Appointment Panel; and
- that their appointments to the Panel be co-terminus with their term of appointment to the Audit and Risk Management Committee to ensure that, going forward, both roles can be advertised together as one vacancy.

MAIN REPORT

Background

1. The Audit and Risk Management Committee on 7 February 2017 considered a report on the future external audit arrangements for the City Corporation's various funds. The Committee agreed that the preferred option was to conduct a single procurement process to appoint the same Auditor for all funds. For the City Fund, the Local Audit and Accountability Act requires the establishment of

an Independent Audit Appointment Panel to advise on the procurement process.

2. Although the Committee had established an Independent Auditor Appointment Panel (IAAP) in 2012, comprising two City Corporation Members and the three external Members of the Audit and Risk Management Committee, this was before the enactment of this legislation and it was therefore unlikely that it could be considered to have been appointed for the purposes of the Act.
3. In addition, regulations issued under the Act include the requirement to advertise for independent Members of the Auditor Panel. Although vacancies for external Members of the Audit and Risk Management Committee had previously been advertised, they did not include the Auditor Panel role. It was therefore necessary to advertise for three independent Members of the IAAP.
4. Three applications were received in response to an advertisement for independent Members for the IAAP. The applications were from the three current external Members of the Audit and Risk Management Committee; Hilary Daniels, Kenneth Ludlam and Caroline Mawhood.

Proposal

5. It is proposed that the Court of Common Council be asked to appoint the three external Members of the Audit and Risk Management Committee to the Independent Audit Appointment Panel. It is also proposed that their appointments to the IAAP be co-terminus with their terms of appointment to the Audit and Risk Management Committee. Going forward, this will ensure that both roles may be advertised together as and when vacancies arise.

Conclusion

6. In agreeing to the recommendations as set out in the report, the Court of Common Council will enable the City of London Corporation to conduct a fully compliant procurement process for external audit services. My making the appointments of the three external Members co-terminus with their terms of appointment to the Audit and Risk Management Committee, this will ensure that both roles may be advertised together in the future, as and when vacancies arise.

DATED this 24th day of April 2017

SIGNED on behalf of the Committee.

Nicholas John Anstee, Alderman
Chairman, Audit and Risk Management Committee