

<b>Committee:</b>	<b>Date:</b>
Audit and Risk Management Committee	29 May 2018
<b>Subject:</b> Appointment of the Nominations Sub Committee and appointments to the Police Performance and Resource Management Sub (of the Police Committee)	<b>Public</b>
<b>Report of:</b> Town Clerk	<b>For Decision</b>
<b>Report author:</b> Julie Mayer	

### Summary

The purpose of this report is to ask the Audit and Risk Management Committee to Appoint a Nominations Sub Committee and to appoint 2 members to serve on the Police Performance and Resource Management Sub (of the Police Committee).

At your Committee on 16 January 2018 (**Appendix A**), Members agreed to establish a Nominations Sub Committee, its composition and Terms of Reference. (**Appendix B**).

Nominations Sub Committees generally meet 2 or 3 times a year but can also be arranged as and when required. At the initial meeting of the Sub Committee, Members would be asked to recommend the timing and frequency of meetings to the Grand Committee. Once the Sub Committee has been appointed, the Town Clerk will canvass Members to arrange a convenient date for the first meeting in June/July 2018.

### Recommendations

- i. The Committee is asked to appoint up to 6 Members to the Nominations Sub Committee, including the Chairman and Deputy Chairman of the Grand Committee and one External Member, to give an independent perspective.
- ii. Members are asked to appoint 2 Members to the Police Performance and Resource Management Sub Committee

### Appendices

- A. Report to the Audit and Risk Management Committee – 16 January 2018.
- B. Terms and Reference and Composition of the Audit and Risk Management Committee.

Committee: Audit and Risk Management	<b>APPENDIX A</b>  Date: 16 January 2018
Subject: Succession Planning for External Members: to appoint a Nominations Sub Committee of the Audit and Risk Management Committee	Public
Report of: Town Clerk	For Decision
Report Author: Julie Mayer	

### **Summary**

At its meeting on 16 January 2014, the Court of Common Council 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 a further term, with a maximum of two terms being served as the norm. Since then, the Court has agreed to renew the terms of two External Members for a third term, expiring in 2020 and 2021 respectively. The Committee's other External Member is currently serving a second term which will expire in 2019.

Members are reminded 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 practice, in other local authorities, for External Members of both Audit and Standards Committees to serve three terms.

However, to keep a fresh perspective and to prepare for future appointments, Members are asked to consider the good practice of other City of London Corporation Boards and Committees, which appoint External Members, by establishing a Nominations Sub Committee and maintaining a portfolio of potential future External Members.

### **RECOMMENDATION – That:**

1. A Nominations Sub Committee, of the Audit and Risk Management Committee, be established and the number and composition of its membership be agreed.
2. The Draft Terms of Reference at Appendix 1 be considered and approved.
3. Members of the Sub Committee be appointed at the first meeting of the Audit and Risk Management Committee, following the Annual Court of Common Council in April 2018.

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4. The first meeting of the Sub Committee be convened for June 2018 at which Members will be asked to recommend, to the Grand Committee, the frequency of future meetings.

## **Background**

Members of Sub Committees are generally appointed by Grand Committees at their first meeting following the Annual Court; i.e. 29<sup>th</sup> May 2018 for the Audit and Risk Management Committee. As the terms of our External Members expire in 2019, for a Member serving a second term, and 2020 and 2021 respectively, for two Members serving their third terms, it is timely for Members of the Audit and Risk Management Committee to consider appointing a Nominations Sub Committee.

The Barbican Centre Board has run a successful Nominations Sub Committee some years and Members are asked to consider the draft Terms of Reference (at Appendix 1 to this report) based on this model.

Membership of the Sub Committee could comprise of 5 or 6 Members, including the Chairman and Deputy Chairman of the Grand Committee and one External Member, to give an independent perspective.

Nominations Sub Committees generally meet 2 or 3 times a year but could be arranged as and when required. At the initial meeting of the Sub Committee, Members would be asked to recommend the timing and frequency of meetings to the Grand Committee.

The Barbican Centre Board's Nominations Sub Committee also undertakes regular skills audits. Members of the Audit and Risk Management Nominations Sub Committee might like to consider either adopting this practice or analysing feedback from the Committee Effectiveness Survey.

## **Implications**

There are likely to be costs incurred in advertising, depending on which options Members favour.

## **Conclusion**

In order to keep a fresh perspective and to prepare for future appointments, Members are asked to consider the good practice of other City of London Corporation Boards and Committees, which appoint External Members, by introducing a Nominations Sub Committee and maintaining a portfolio of potential future External Members.

## **Contact:**

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## **APPENDIX B**

### **Terms of Reference and composition of the Nominations Sub Committee**

**Membership:** 5 or 6 Members, including the Chairman and Deputy Chairman of the Grand Committee and one External Member, to give an independent perspective.

1. To make recommendations to the Audit and Risk Management Committee on the appointment of all External Members to the Committee.
2. To undertake Skills Audits of the Committee periodically (or analyse information from the Committee Effectiveness Survey) to inform the appointment of External Members to the Committee.
3. To consider the most appropriate way to recruit External Members to the Committee, including the placing of advertisements or the use of personal contacts.
4. The Sub Committee will have advisory powers only and make recommendations to the Board.