

Regulation, Audit and Accounts Committee

19 July 2021

Appointment of Independent Co-opted Member of the Committee

Report by Director of Law and Assurance

Recommendation

That Mr David Parfitt be appointed to the position of Independent, co-opted member of the Regulation, Audit and Accounts Committee for an initial four-year term.

Proposal

1 Background and context

- 1.1 The County Council has agreed that the Regulation, Audit and Accounts Committee (RAAC) should be able to appoint an Independent, co-opted non-voting member to serve on the Committee.
- 1.2 A review of local authority audit arrangements was carried out in 2020 by Sir Tony Redmond, entitled 'Local Authority Financial Reporting and External Audit, an independent review'. The outcome of the review was reported to RAAC in September 2020, including the recommendation that independent members should be appointed to local authority audit committees. The Review reported on current arrangements:

'Whilst the vast majority of local authorities interviewed were supportive of the principle of appointing independent members, only about 40% of Audit Committees currently have done so. The reported experience of having independent members on Audit Committees was mixed. In some cases, they provided useful challenge, but some authorities reported that the effectiveness of independent members was hampered by their lack of sector specific knowledge. A particular challenge for authorities is attracting independent members with the relevant technical experience. This challenge can sometimes be greater depending on an authority's geographical location. Some PCCs have found that the introduction of Joint Audit Committees, which are seen as more prestigious, has made Audit Committee membership more attractive to appropriately qualified independent members, but there is still not an abundance of suitable applicants for vacant positions.'
- 1.3 The Committee was enthusiastic about appointing a non-voting co-opted independent member with audit skills to assist the committee in its approach to audit and other areas of its responsibility, so recommended this to the Council.
- 1.4 The Council agreed that the position should be advertised as a voluntary role and that applicants should be interviewed by the Chairman and Vice-Chairman

of Committee following initial consideration by the Directors of Finance and Support Services and Law and Assurance. An appointment will then be made by the Committee on the recommendation of the Chairman and Vice-Chairman.

2 Proposal details

- 2.1 The Chairman and Vice-Chairman have interviewed one candidate, Mr David Parfitt, for the position and have agreed to recommend to the Committee that he be appointed.
- 2.2 Mr Parfitt, a Chichester resident, was Risk, Control & Accounting Director of the Retail division of the Lloyds Banking Group. He is a graduate chartered accountant with broad commercial experience in senior roles in complex, sophisticated and customer orientated businesses undergoing significant change. Mr Parfitt had responsibilities for financial control, reporting and planning as well as risk management and corporate governance, business development and managing major change programmes, as well as HR and IT responsibilities.
- 2.3 He is currently serving as a non-executive director the Portsmouth Hospital University NHS Trust and the Sussex Community NHS Trust and is chair of their Audit Committees.

3 Consultation, engagement and advice

- 3.1 The Director of Finance and Support Services and the Director of Law and Assurance have reviewed Mr Parfitt's full application and are supportive of his appointment.

4 Finance

- 4.1 There are no Revenue or Capital budget consequences. The Independent co-opted member will be able to claim travel expenses within the existing Member Allowances budget.

5 Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
The Regulation, Audit and Accounts Committee does not adequately undertake its audit responsibilities.	By appointing an independent co-opted member with extensive audit experience, this member should help the rest of the Committee with its work to ensure that it adequately undertakes its audit responsibilities.

6 Policy alignment and compliance

- 6.1 Not applicable.

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Background papers

None