



<b>REPORT TO:</b>	Audit and Governance Committee
<b>DATE:</b>	13 July 2023
<b>SUBJECT:</b>	Recruitment of Co-opted Independent Members to the Audit and Governance Committee
<b>PURPOSE:</b>	To consider the recruitment of Co-opted Independent Members to the Audit and Governance Committee
<b>KEY DECISION:</b>	N/A
<b>PORTFOLIO HOLDER:</b>	N/A
<b>REPORT OF:</b>	John Medler, Assistant Director for Governance and Monitoring Officer
<b>REPORT AUTHOR:</b>	John Medler, Assistant Director for Governance and Monitoring Officer
<b>WARD(S) AFFECTED:</b>	N/A
<b>EXEMPT REPORT?</b>	No

## **SUMMARY**

This report seeks support from the Audit & Governance Committee on the recruitment process for the appointment of a new Independent Member to the Committee.

In addition the report highlights that CIPFA best practice recommends that Local Authority Audit Committees should contain at least 2 Co-opted Independent Members. Accordingly this report seeks the support of Members to recommend to Full Council that the Committee's composition be amended to include 2 Co-opted Independent Members.

## **RECOMMENDATIONS**

That the Audit and Governance Committee:

1. Considers and provides feedback on the draft Independent Member Recruitment Pack as set out at Appendix A;
2. Determines the appropriate composition of the Interview Panel; and

3. Recommends to Full Council that the composition of the Audit and Governance Committee be amended to include two Co-opted Independent Members.

#### **REASONS FOR RECOMMENDATIONS**

For reasons of recognised good practice and to assist the Council in maintaining the independence of, and expertise and skills that Independent Members can bring to the Committee

#### **OTHER OPTIONS CONSIDERED**

None

### **1. BACKGROUND**

- 1.1 The Council's Constitution provides that the membership of the Audit and Governance Committee includes 1 Non-Elected representative with specific skills as defined by a competency framework.
- 1.2 This role was previously undertaken by Mr Alan Pickering whose term of office expired in May 2023 and the Committee is now requested to consider the recruitment process for a replacement member.

### **2. REPORT**

- 2.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) Good Practice Guidance for Audit Committees in Local Government identifies that the co-option of independent members is beneficial to an Audit Committee.
- 2.2 The guidance highlights that the injection of an external view can often bring a new approach to committee discussions including:
  - bringing additional knowledge and expertise to the committee
  - reinforcing the political neutrality and independence of the committee
  - maintaining continuity of committee membership where membership is affected by the electoral cycle
- 2.3 The primary considerations when considering the committee's membership should be maximising the committee's knowledge base and skills, being able to demonstrate objectivity and independence, and having a membership that will work together.
- 2.4 A draft recruitment pack (Appendix A) has been developed and benchmarked against other local authorities. The Committee is asked to consider the draft recruitment pack and provide feedback to inform the final version prior to the commencement of the recruitment process.

2.5 The recommendations make mention of an Interview Panel, and it is suggested that this be made up of up of three Members of the Audit and Governance Committee, with support from Officers and the HR department as appropriate. The recruitment process will be timetabled to allow a recommendation of the preferred candidate to be made at the next Full Council Meeting on 2 October 2023.

2.6 Whilst there is no legislative direction to include Co-opted Independent Members, CIPFA's Position Statement 2022 recommends that each local authority audit committee should include at least two Co-opted Independent Members to provide appropriate technical expertise. The Position Statement is supported by The Department for Levelling Up, Housing and Communities and the Home Office.

2.7 Accordingly this report seeks the support of the Committee to recommend to the Full Council Meeting on 2 October 2023 that the Committee's membership be amended to include two Co-opted Independent Members.

### **3. CONCLUSION**

3.1 The purpose of this report and the recommendations made within are with the intention of recruiting experienced Independent Members onto the Audit and Governance Committee in line with recognised best practice.

#### **EXPECTED BENEFITS TO THE PARTNERSHIP**

None

#### **IMPLICATIONS**

##### **SOUTH AND EAST LINCOLNSHIRE COUNCILS PARTNERSHIP**

None

##### **CORPORATE PRIORITIES**

None

##### **STAFFING**

None

#### **CONSTITUTIONAL AND LEGAL IMPLICATIONS**

There is no legal requirement for Local Authority Audit and Governance Committees to have Independent Co-opted Members, though this is recommended practice from the Chartered Institute of Public Finance and Accountancy (CIPFA).

In accordance with local government law, the co-opted members do not have voting rights. The proposed recommendations, that recognise the need for a second Independent Member to be approved by Full Council, is in accordance with the Council's Constitution.

## **DATA PROTECTION**

None

## **FINANCIAL**

A small allowance of £419 and expenses are payable to the Independent Member on the Audit and Governance Committee. An additional Independent Member would accordingly result in a small increase in the cost of the Committee.

## **RISK MANAGEMENT**

The recommendations reflect CIPFA good practice guidance for Audit and Governance Committees

## **STAKEHOLDER / CONSULTATION / TIMESCALES**

None

## **REPUTATION**

The recommendations reflect CIPFA good practice guidance for Audit and Governance Committees

## **CONTRACTS**

None

## **CRIME AND DISORDER**

None

## **EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING**

None

## **HEALTH AND WELL BEING**

None

## **CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS**

None

## **LINKS TO 12 MISSIONS IN THE LEVELLING UP WHITE PAPER**

None

## **ACRONYMS**

CIPFA - Chartered Institute of Public Finance and Accountancy

### **APPENDICES**

Appendices are listed below and attached to the back of the report: -

*APPENDIX A*

*Draft Independent Member Recruitment Pack*

### **BACKGROUND PAPERS**

Background papers used in the production of this report are listed below: -

1. CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022 – available via <https://www.cipfa.org/services/support-for-audit-committees>
2. CIPFA's Audit Committes: Practical Guidance For Local Authorities And Police (2022 Edition)

<b>CHRONOLOGICAL HISTORY OF THIS REPORT</b>
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None
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<b>REPORT APPROVAL</b>	
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Report author:	John Medler, Assistant Director – Governance & Monitoring Officer
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Signed off by:	John Medler, Assistant Director – Governance & Monitoring Officer
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Approved for publication:	N/A
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