



REPORT TO:	Full Council
DATE:	18 September 2023
SUBJECT:	Co-opted Independent Members on the Audit and Governance Committee
PURPOSE:	To consider amending the Audit and Governance Committee's membership to include 2 Co-opted Independent Members and authorising the Committee to make appointments to these positions
KEY DECISION:	N/A
PORTFOLIO HOLDER:	N/A
REPORT OF:	John Medler, Assistant Director for Governance and Monitoring Officer
REPORT AUTHOR:	John Medler, Assistant Director for Governance and Monitoring Officer
WARD(S) AFFECTED:	N/A
EXEMPT REPORT?	NO

SUMMARY

CIPFA best practice guidance recommends that Local Authority Audit Committees should contain at least 2 Co-opted Independent Members. In accordance with this guidance the Audit and Governance Committee agreed to recommend to Full Council to amend the existing Committee's composition to include 2 Co-opted Independent Members.

To support timely appointments of such Independent Members it is further recommended that Council provide the authority to the Audit and Governance Committee to make the appointments.

RECOMMENDATIONS

That Council:

1. In accordance with best practice and a recommendation from the Audit and Governance Committee approves that the membership of the Audit and Governance Committee be amended to include 2 Co-opted Independent Members.
2. Approves that the Audit and Governance Committee be authorised to co-opt Independent Members to the Committee, each appointment to be for a term up to 4-years.
3. Authorises the Monitoring Officer to amend the Constitution as necessary to give effect to recommendations 1 and 2.

REASONS FOR RECOMMENDATIONS

The recommendations recognise best practice guidance and will assist the Audit and Governance Committee to co-opt Independent Members that bring independence, expertise and skills to support the important work of the Committee.

OTHER OPTIONS CONSIDERED

Retain the existing membership and/or appointment arrangements.

1. BACKGROUND AND REPORT

1.1 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. 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

1.2 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.

1.3 The Council's Constitution currently provides that the membership of the Audit and Governance Committee shall include 1 Non-Elected representative with specific skills as defined by a competency framework.

1.4 Accordingly the Audit and Governance Committee at its meeting on 13 July 2023 agreed to recommend to Full Council that the Committee's membership be amended to include two Co-opted Independent Members.

1.5 Furthermore and in accordance with Council Procedure Rule 28.2 it is recommended that Full Council authorises the Audit and Governance Committee to appoint Co-opted Independent Members to the Committee, each appointment to be for a term of up to 4 years. This will support the Committee to make timely appointments to the positions.

2. CONCLUSION

2.1 The purpose of this report and the recommendations made within are with the intention of securing suitably experienced and knowledgeable Independent Members onto the Audit and Governance Committee to assist the work of the Committee.

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, Co-opted Independent Members do not have voting rights.

In accordance with the Council's Constitution it is for the Council to determine the recommendations contained within this report.

DATA PROTECTION

None

FINANCIAL

A small allowance of £426 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

None

BACKGROUND PAPERS

The 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 Committees: Practical Guidance For Local Authorities And Police (2022 Edition)

CHRONOLOGICAL HISTORY OF THIS REPORT

Audit and Governance Committee – 13 July 2023

REPORT APPROVAL

Report author:	John Medler, Assistant Director – Governance & Monitoring Officer
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Approved for publication:	John Medler, Assistant Director – Governance & Monitoring Officer