



REPORT TO:	Full Council
DATE:	29 February 2024
SUBJECT:	Co-opted Independent Member(s) on the Governance and Audit Committee
PURPOSE:	To consider amending the Governance and Audit Committee's membership to include up to 2 Non-Voting Co-opted Independent Member(s) and authorising the Committee to make any appointment(s) to this position.
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 Governance and Audit Committee agreed to recommend to Full Council to amend the existing Committee's composition to include up to 2 Non-Voting Co-opted Independent Members.

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

RECOMMENDATIONS

That Council:

1. In accordance with best practice and a recommendation from the Governance and Audit Committee approves that the membership of the Governance and Audit Committee be amended to include up to 2 Non-Voting Co-opted Independent Members.
2. Approves that the Governance and Audit Committee be authorised to co-opt Independent Member(s) to the Committee, each appointment (including any re-appointments) 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 Governance and Audit 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 committee membership or recommend an alternative number of co-opted independent members for inclusion on the Committee.

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.

1.2 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. Report

2.1 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.

2.2 The Council's Constitution currently doesn't provide for Co-opted Independent Member representation on the Governance and Audit Committee.

2.3 Accordingly, the Governance and Audit Committee at its meeting on 18 January 2024 agreed to recommend to Full Council that the Committee's membership be amended to include up to two Non-Voting Co-opted Independent Members.

2.4 Furthermore, it is recommended that Full Council authorises the Governance and Audit Committee to appoint up to 2 Non-Voting Co-opted Independent Members to the Committee, each appointment (including any re-appointments) to be for a term of up to 4 years. This will support the Committee to make timely appointments to the positions.

3. CONCLUSION

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

EXPECTED BENEFITS TO THE PARTNERSHIP

None

IMPLICATIONS

SOUTH AND EAST LINCOLNSHIRE COUNCILS PARTNERSHIP

The Audit and Governance Committee Memberships at Boston Borough Council and East Lindsey District Council each include provision for the appointment of 2 Co-opted Independent Members (Lay Members). The recommendations within this report would align this Council's arrangements with those in the Partner Councils within the South and East Lincolnshire Councils Partnership.

CORPORATE PRIORITIES

None

STAFFING

None

CONSTITUTIONAL AND LEGAL IMPLICATIONS

There is no legal requirement for Local Authority Audit 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

Co-opted Independent Members would be able to claim travel and subsistence allowance in line with the Authority's agreed Members' Allowances Scheme. Some authorities provide a small allowance to Co-opted Independent Members to support them in their role, the Independent Remuneration Panel would be asked to provide a recommendation on whether a Co-optee Allowance should be paid for this role.

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 Governance and Audit 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

Governance and Audit Committee – 18 January 2024

REPORT APPROVAL

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