



<b>REPORT TO:</b>	Governance and Audit Committee
<b>DATE:</b>	Thursday, 14 March 2024
<b>SUBJECT:</b>	Recruitment of Co-opted Independent Members to the Governance and Audit Committee
<b>PURPOSE:</b>	To consider the recruitment of Co-opted Independent Members to the Governance and Audit Committee.
<b>KEY DECISION:</b>	N/A
<b>PORTFOLIO HOLDER:</b>	N/A
<b>REPORT OF:</b>	Assistant Director - Governance (Monitoring Officer)
<b>REPORT AUTHOR:</b>	Rhonda Booth
<b>WARD(S) AFFECTED:</b>	(All Wards);
<b>EXEMPT REPORT?</b>	No

## SUMMARY

This report seeks support from the Governance and Audit Committee on the recruitment process for the appointment of two Co-opted Independent Members of the Committee.

## RECOMMENDATIONS

That the Governance and Audit Committee:

1. Considers and provides feedback on the draft Co-opted Independent Member Recruitment pack as set out at Appendix A; and
2. Determines the composition of the Interview Panel to undertake the recruitment exercise.

## **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 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.
- 1.3 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. REPORT**

- 2.1 At a meeting of full Council on 29 February 2024 Council approved a recommendation from the Governance and Audit Committee to amend the membership of the Committee to include 2 Non-Voting Co-Opted Independent Members.
- 2.2 Council also approved to give authority to 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.
- 2.3 A draft recruitment pack, at 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.
- 2.4 The recommendations make mention of an Interview Panel, and it is suggested that this be made up of up of three Members of the Governance and Audit Committee,

with support from Officers and the HR department as appropriate. The Interview Panel will make formal recommendations back to a future meeting of the Committee post the recruitment exercise.

### **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 Governance and Audit Committee in line with recognised best practice.

### **4. EXPECTED BENEFITS TO THE PARTNERSHIP**

- 4.1** None

### **5. IMPLICATIONS**

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

- 5.1.1** All three Councils within the Partnership are due to recruit Independent Members onto their Governance and Audit Committees. This presents an opportunity to co-ordinate the recruitment timetables and maximise potential applicants. All appointments would remain the role of the sovereign authorities.

#### **5.2 CORPORATE PRIORITIES**

- 5.2.1** None

#### **5.3 STAFFING**

- 5.3.1** None

#### **5.4 WORKFORCE CAPACITY IMPLICATIONS**

- 5.4.1** None

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

- 5.5.1** 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.

Full Council have approved a change to the membership of the committee and given authority for the Committee to appoint. The Constitution has been amended accordingly.

#### **5.6 DATA PROTECTION**

- 5.6.1** None

#### **5.7 FINANCIAL**

- 5.7.1** A small allowance of £650 and expenses are payable to the Independent Member on the Governance and Audit committee. An additional Independent member would accordingly result in a small increase in the cost of the Committee.

#### **5.8 RISK MANAGEMENT**

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

## 5.9 STAKEHOLDER / CONSULTATION / TIMESCALES

5.9.1 None

## 5.10 REPUTATION

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

## 5.11 CONTRACTS

5.11.1 None

## 5.12 CRIME AND DISORDER

5.12.1 None

## 5.13 EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING

5.13.1 None

## 5.14 HEALTH AND WELL BEING

5.14.1 None

## 5.15 CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

5.15.1 None

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

5.16.1 None

## 6. ACRONYMS

6.1.1 CIPFA - Chartered Institute of Public Finance and Accountancy

<b>APPENDICES</b>	
Appendices are listed below and attached to the back of the report: -	
<i>APPENDIX A</i>	Proposed Recruitment Pack

<b>BACKGROUND PAPERS</b>	
<b>Document title</b>	<b>Where the document can be viewed</b>
CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022	via <a href="https://www.cipfa.org/services/support-for-audit-committees">https://www.cipfa.org/services/support-for-audit-committees</a>
CIPFA's Audit Committees: Practical Guidance For Local Authorities And Police (2022 Edition)	

**CHRONOLOGICAL HISTORY OF THIS REPORT**

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<b>Name of body</b>	<b>Date</b>
Governance and Audit Committee	18 <sup>th</sup> January 2024
<i>Council</i>	<i>29<sup>th</sup> February 2024</i>

**REPORT APPROVAL**

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