

Report to: **Audit and Governance Committee**

Date: **25 July 2023**

Title: **Independent Member of the Audit and Governance Committee**

Portfolio Area: **Resources – Cllr C Edmonds**

Wards Affected: **All**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken: **Following the meeting**

Author: **Lisa Buckle** Role: **Corporate Director for Strategic Finance**

Contact: **Email: lisa.buckle@swdevon.gov.uk**

Recommendations:

- 1) For the S151 Officer to work with the Devon Audit Partnership in progressing the appointment of up to two Independent Members to the Audit and Governance Committee as soon as is reasonably practicable during 2023/24.
- 2) To consider joint appointments of independent persons to more than one Devon Local Authority Audit Committee (through a joint exercise with neighbouring Local Authorities in Devon, co-ordinated through the Devon Audit Partnership)
- 3) For Devon Local Authority partners to consider setting a consistent remuneration value, to avoid competing with one another in what maybe a limited pool of candidates.
- 4) To note that Independent Members would not have voting rights on the Audit and Governance Committee.
- 5) For the S151 Officer to present a report to Full Council following the conclusion of the recruitment exercise, to formally appoint the successful co-opted Independent Members to the Audit and Governance Committee.

1. Executive summary

- 1.1 In 2022, CIPFA (The Chartered Institute of Public Finance) issued a position statement that stated that "The Audit Committees of Local Authorities should include co-opted independent members in accordance with the appropriate legislation."

- 1.2 Whilst there is not yet a legislative direction to include co-opted Independent Members, CIPFA recommends that each Local Authority Audit Committee should include two co-opted independent members to provide appropriate technical expertise.
<https://www.icaew.com/insights/viewpoints-on-the-news/2022/may-2022/cipfa-backs-independent-local-authority-audit-committee-members>

2. Background

- 2.1 Devon Local Authorities have expressed interest in having a joint exercise to seek and recruit up to two Independent Audit and Governance Committee Members during 2023/24. The Independent Members could sit on several of the Devon Local Authority Audit Committees. Devon Audit Partnership would be commissioned by Devon Local Authorities to work up a joint advert and role description.
- 2.2 The S151 Officer has presented this report to the Committee to seek to move forward with appointing Independent Members to the Audit and Governance Committee.
- 2.3 The Devon Audit Partnership has offered to manage the recruitment activity on behalf of Devon Local Authorities and in conjunction with Local Authority representatives.

3. Proposed Way Forward

3.1 It is recommended:-

- For the S151 Officer to work with the Devon Audit Partnership in progressing the appointment of up to two Independent Members to the Audit and Governance Committee as soon as is reasonably practicable during 2023/24.
- To consider joint appointments of independent persons to more than one Devon Local Authority Audit Committee (through a joint exercise with neighbouring Local Authorities in Devon, co-ordinated through the Devon Audit Partnership)
- For Devon Local Authority partners to consider setting a consistent remuneration value, to avoid competing with one another in what maybe a limited pool of candidates.
- To note that Independent Members would not have voting rights on the Audit and Governance Committee.

4. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Redmond Review proposed legislation requiring Audit Committees to have at least one Independent Member on the Audit Committee. Parliamentary time is needed to make this a statutory requirement. CIPFA's position statement recommends two independent persons.
Financial implications to include reference to value for money	Y	A recent recruitment exercise for the Devon Fire and Rescue service has set a remuneration amount for an Independent Member at half of the Members' Annual Allowance. A remuneration amount would need to be agreed amongst Devon Local Authorities.
Risk	Y	There is a risk that up to two suitable independent members may not be able to be recruited, although this risk is deemed as low. There maybe a clash of diary dates and meetings if Independent Members are appointed to multiple Devon Local Authority Audit Committees.
Supporting Corporate Strategy	Y	Our Guiding Principles of the Corporate Strategy are 'to provide value for money and good customer service'.
Climate Change - Carbon / Biodiversity Impact	N	None directly arising from this report.
Comprehensive Impact Assessment Implications		
Equality and Diversity	N	None directly arising from this report.
Safeguarding	N	None directly arising from this report.
Community Safety, Crime and Disorder	N	None directly arising from this report.
Health, Safety and Wellbeing	N	None directly arising from this report.
Other implications	N	None directly arising from this report.

Supporting Information

Appendices:

None

Background Papers:

None

Approval and clearance of report

Process checklist	Completed
Portfolio Holder briefed/sign off	Yes
SLT Rep briefed/sign off	Yes
Relevant Heads of Practice sign off (draft)	Yes
Data protection issues considered	Yes
Accessibility checked	Yes