

Report sponsor: Strategic Director of Corporate Resources  
Report author: Democratic Services Officer

## **Appointment of Independent Persons to the Audit & Governance Committee**

### **Purpose**

- 1.1 This report seeks the agreement of the Committee to ask Council to approve the appointment of two independent members to the Audit and Governance Committee for a four-year term.
- 1.2 The current two independent members have brought additional knowledge and expertise to the Committee, and it is proposed that these members are appointed for a further four years.

### **Recommendations**

- 2.1 To request that Full Council approve the appointments of Philip Sunderland and Stuart Green as independent members to the Audit and Governance Committee for a four-year term, expiring on 20 May 2026.

### **Reasons**

- 3.1 Having independent members on Local Authority Audit Committees has proven to add value and enhance the reputation of the Committee from a good governance and independence perspective for those Councils who have adopted this approach.
- 3.2 This practice is also encouraged by the Chartered Institute of Public Finance and Accountancy (CIPFA) as the main accountancy body for local government.

### **Supporting information**

- 4.1 The Audit and Governance Committee, functioning in line with best practice, strengthens the Council's governance arrangements and increases public confidence in our integrity. It is important that the Audit and Governance Committee operates effectively and including independent members on this committee demonstrates that it does so with more visible independence.
- 4.2 Independent members with appropriate skills and experience to supplement those of elected members can also improve the effectiveness of the Audit and Governance Committee. The Chartered Institute of Public Finance and Accountancy (CIPFA) has produced several pieces of guidance on this.

- 4.3 The co-option of independent members helps to bring additional knowledge and expertise to the Committee and also reinforces its political neutrality and independence.
- 4.4 CIPFA guidance states that in order to be effective, an audit committee needs a membership that has knowledge, experience and interest in the field. The Audit and Governance Committee benefits from independent members with financial awareness and independence of thinking to provide objective perspectives. The injection of an external view can often bring a new approach to Committee discussions.
- 4.5 CIPFA advises that a local authority should have regard to section 13 of the Local Government and Housing Act 1989 which relates to the voting rights of non-elected committee members. The independent persons are able to attend and speak at meetings of the Committee, but they cannot vote.
- 4.6 Independent members' appointments are for a fixed four-year term and must be formally approved by Full Council. While operating as a member of the Audit and Governance Committee, the independent member should follow the same code of conduct as elected members.
- 4.7 The primary considerations when considering audit committee 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.

### **Public/stakeholder engagement**

- 5.1 Discussion that the Head of Internal Audit has had with Heads of Audit at some other local authorities who have co-opted members on their audit committees has established that independent membership strengthens the role and activities of their Audit Committees.

### **Other options**

- 6.1 There is no statutory requirement for appointment of Independent Members on an audit committee.

### **Financial and value for money issues**

- 7.1 There is a budgeted allowance of £500 for each Independent Member under the Councillors' Allowances and Expenses Scheme.

### **Legal implications**

- 8.1 There is no legal requirement for Local Authorities to have an audit committee, though this and the appointment of co-opted members 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.

## Climate implications

9.1 None directly arising from this report.

## Other significant implications

10.1 None directly arising from this report.

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal		
Finance		
Service Director	Alex Hough – Head of Democracy	20/05/2022
Report sponsor	Simon Riley – Strategic Director of Corporate Resources	23/05/2022
Other(s)		

Background papers:
List of appendices: