

of the risk management framework, the internal control environment and the integrity of the financial reporting and governance processes. By overseeing both Internal and External Audit the Committee makes an important contribution to ensuring that effective assurance arrangements are in place.

- 1.2 An independent review by Sir Tony Redmond into the effectiveness of external audit and transparency of financial reporting in local authorities was published in September 2020. The full report can be found at: [Redmond Review.pdf \(publishing.service.gov.uk\)](#).
- 1.3 One of the recommendations from the report was consideration to be given to the appointment of at least one Independent Member, suitably qualified, to the Audit Committee. A co-opted Independent Member is a Committee member who is not an elected representative but brings an informed and independent perspective.
- 1.4 The Council's ability to co-opt members onto a committee derives from the Local Government Act 1972, as amended. Section 13(1) of the 1989 Act says that a co-opted member of a committee established under Section 102 of the Local Government Act 1972 (i.e. a committee discharging the functions of the Council) must be a non-voting member. It is for the Council to decide on the term of office of any such co-opted member.
- 1.5 A particular challenge for local authorities is attracting independent members with the relevant technical experience. This challenge can sometimes be greater depending on an authority's geographical location and there was still not an abundance of suitable applicants for vacant positions. Therefore Devon Audit Partnership is working with a number of Devon Councils to recruit new Independent Committee Members.
- 1.6 The Constitution outlines the composition of the Audit Committee together with the requirements and quorum of membership. If an additional Co-opted Independent Member is approved then the Constitution will be required to be amended accordingly i.e. number of members 'plus one Independent Member' and the Quorum for Audit is 'not inclusive of the Independent Member'. Also adding in that 'the Independent Member (who shall not be a Member of the Council) is appointed to provide experience and expertise in audit, accountancy, finance and risk management to advise the Committee in these areas and shall have no voting rights'. Similarly, the scheme of Members Allowances will be required to be updated to include reference to a special responsibility allowance for the Co-opted Independent Member of the Audit Committee.

2.0 Independent Member

2.1 The role for Independent Members has been advertised by Devon Audit Partnership during November and December 2023 and has been seeking candidates that should:

- Have a professional audit/accountancy/finance/business management background
- Be able to interpret and analyse numerical data with a view to asking probing questions to reach rational conclusions
- Be a critical thinker and seek to uphold accountability
- Be confident in fully and proactively participating in the consideration of matters before the Committee at its public meetings
- Be a good listener, fair, unbiased and objective in their approach.

2.2 In order to be eligible to apply for the position, applicants must not:

- be a Councillor or Officer of any of the Councils or have been so in the preceding 12 months prior to appointment
- be related to, or a close friend of, a Councillor or Senior Officer of the Local Authority
- have been convicted of any offence
- be an undischarged bankrupt
- have significant business /contractual dealings with the Council/s
- have a proven history of vexatious and/or frivolous complaints at any of the Councils
- be in arrears with Council Tax, Business Rates or have other outstanding debts owing to the Councils.

2.3 Devon Audit Partnership have advertised the posts and have set out that a proportion of the members annual allowance or fixed annual fee (dependant on the Council) will be paid to the successful post holders. It is proposed that a regular person from those recruited by Devon Audit Partnership will attend Mid Devon District Council's audit committee, but should they be unavailable for any particular meeting, Devon Audit Partnership will provide a substitute.

2.4 If Members are minded to approve the appointment of an independent member to Mid Devon District Council, it is recommended that the allowance be set at £500 per annum, which follows guidance sought from the Independent Remuneration Panel.

Financial Implications

There will be a small financial impact through the need to remunerate an Independent Member for their time carrying out the role for Governance Committee and it is recommended that the level of remuneration be set at £500 per annum following

advice from the Independent Remuneration Panel. This cost will be met from within the existing revenue budget framework.

Legal Implications

The legal implications are contained within the report detail.

Risk Assessment

The proposed post should help the council recognise and address risk.

Impact on Climate Change

There are no Climate Change implications anticipated as a result of this report.

Equalities Impact Assessment

There are no equalities implications anticipated as a result of this report.

Relationship to Corporate Plan

The proposed post should help the council deliver the corporate plan.

Section 3 – Statutory Officer sign-off/mandatory checks

Statutory Officer: Andrew Jarrett

Agreed by or on behalf of the Section 151

Date: 11/06/2024

Statutory Officer: Maria De Leburne

Agreed on behalf of the Monitoring Officer

Date: 06/06/2024

Chief Officer: Stephen Walford

Agreed by or on behalf of the Chief Executive/Corporate Director

Date: 11/06/2024

Performance and risk: Dr Stephen Carr

Agreed on behalf of the Corporate Performance & Improvement Manager

Date: 11/06/2024

Cabinet member notified: Yes

Section 4 - Contact Details and Background Papers

Contact: Paul Deal

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Telephone: 01884 234254

Background papers: N/a