

Recommendation to Full Council

11 May 2023

Appointment of Co-opted Committee Members - Audit and Governance Committee

For Decision

Portfolio Holder: Cllr S Flower, Leader of the Council

Executive Director: J Mair, Director of Legal & Democratic

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Report Status: Public

Brief Summary: CIPFA good practice suggests that local authority Audit Committees should include at least two co-opted committee members to supplement the expertise of existing membership. Currently the Council's Audit and Governance Committee's constitution is purely made up of elected councillors, based on the political balance.

The Audit and Governance Committee discussed the option of including co-opted members into the committee's membership at the [27 February 2023 meeting](#), with the following options:

- Option One – Do nothing.
- Option Two – Agree to include co-opted membership to the committee at the earliest opportunity, to supplement the experience of the current ten elected members.
- Option Three – Agree to include co-opted membership to the committee post May 2024 elections.

The decision of the committee was to support Option Two as a proposal to Full Council.

Recommendation: Full Council to:

- i) support the Audit and Governance Committee's proposal that the Committee's constitution is changed to incorporate two co-opted members, in advance of the September 2023 meeting; and
- ii) support the Independent Remuneration Panel's recommendation that an annual allowance of £2,000 should be payable per co-opted member.

Reason for Recommendation: To ensure that the Audit and Governance Committee has the appropriate level of technical expertise to perform its role as set out in its terms of reference.

1. Background

- 1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) issued a revised [position statement](#) for Audit Committees in Local Authorities and Police during 2022. This proposes that it is good practice for Audit Committees for local authorities to include at least two co-opted members within its membership. There is no legislative direction to enforce this, but CIPFA recognise this practice to supplement and fill any gaps in a committee's technical expertise. Within Dorset Council, the role of the committee goes beyond that of an Audit Committee, to include a remit for governance and standards.
- 1.2 A number of other Dorset Council Committees and panels benefit from the external expertise provided by co-opted members. This includes the Harbours Committee and the Dorset Police and Crime Panel.
- 1.3 Currently the Audit and Governance Committee is made up of ten elected councillors, based on political balance. If two co-optees were added to the existing ten elected councillors the Conservative Group would be entitled to a majority, however as with the existing committee the Leader has agreed not to take up the full entitlement.
- 1.4 Co-opted members would be full voting members of the Committee whilst operating as an advisory committee (i.e. making recommendations rather than setting policy). There would be no voting rights where the Council has delegated decisions to the committee such as, for instance, Code of Conduct matters. Co-opted members would be treated equally to elected members in terms of access to support and information. Good practice suggests that the term of co-opted members should be for four years, and should generally not exceed two-terms, to ensure that fresh ideas,

perspectives and experience are injected into the committee on a semi-regular basis.

- 1.5 The skills that candidates should be able to demonstrate would include analytical skills, effective communication, scrutiny and challenge, open minded-ness and capable of developing good teamwork and effective relationships with other members of the committee. A draft job description has been included at Appendix A. The Independent Remuneration Panel met on three occasions (14, 17 and 18 April), and their findings are included at Appendix B, with a proposal that the allowance for each co-opted member, if approved, should be £2,000 per annum.

2. Options Considered by the Audit and Governance Committee

- 2.1 There were three options considered by the Committee:
- 2.2 Option One – Do nothing. Whilst CIPFA guidance recognises that it is good practice for Audit Committees to include co-opted members, it is not dictated by legislation. This option assumes that the Committee may feel that it already has the skills and technical expertise to fully fulfil its terms of reference.
- 2.3 Option Two – Agree to include co-opted membership to the committee at the earliest opportunity, to supplement the experience of the current ten elected members. In addition to providing additional expertise, this may also provide some stability of membership following elections in May 2024.
- 2.4 Option Three – Agree to include co-opted membership to the committee post May 2024 elections.
- 2.5 The Audit and Governance Committee supported Option Two. The minutes can be viewed [here](#).
- 2.6 The following provides a guide timeline for recruitment, should Full Council support this change to the Audit and Governance Committee's constitution:

Timeline	By When
Proposal to Full Council	11 May 23
Publication of advertisements	31 May 23
Shortlisting and selection	31 July 23

Induction	Aug / Sep 23
First meeting with co-opted member attendance	25 September 23

- 2.7 The membership of the interview panel would need to be agreed, but good practice would suggest that this should be made up of a minimum of three councillors, one of which should be the Chair of the Audit and Governance Committee. Officers would provide human resource and administrative support to the process. Recommendations for appointment would be made on merit and ability judged against a competency based framework of criteria.

3. **Financial Implications**

The allowance payable to the co-opted member for the Audit and Governance Committee has been subject to review and assessment by the Independent Remuneration Panel. The findings are set out at Appendix B and propose that an allowance of £2,000 per co-opted member per annum (£4,000 in total per annum).

4. **Environmental Implications**

None

5. **Well-being and Health Implications**

None

6. **Other Implications**

None

7. **Risk Assessment**

- 7.1 HAVING CONSIDERED: the risks associated with this decision; the level of risk has been identified as:

Current Risk: Low

Residual Risk: Low

8. **Equalities Impact Assessment**

No issues identified

9. Appendices

Appendix A – Draft job description for co-opted member of the Audit and Governance Committee;

Appendix B – Findings of the Independent Remuneration Panel

10. Background Papers

[CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022](#)

[Minutes of Audit and Governance Committee 27 February 2023](#)