

Appointment of an Independent Co-opted Member to the Audit, Risk and Governance Committee

Appointment Process

1. The Audit, Risk and Governance Committee is asked to establish an Appointments Sub-Committee, comprising the Chair and two other committee members (one Conservative and one Labour). The sub-committee will be advised by the Head of Internal Audit.
2. The Appointments Sub-Committee will determine the final job specification and recruitment timeline, consider and shortlist applications, and carry out interviews to identify a successful candidate.
3. The sub-committee's meetings will be held between July and September, so that its recommendation can be reported to the Audit, Risk and Governance Committee's meeting on 14 October 2024.
4. At a similar time, the Independent Remuneration Panel will also be asked to consider whether the Members' Allowance Scheme should be changed to pay an allowance to the independent co-opted member.
5. Subject to the Audit, Risk and Governance Committee's agreement, the recommended appointment will be presented to the Full Council meeting on 12 December 2024. At the same meeting and if required, Full Council will consider the recommendation of the Independent Remuneration Panel to amend the Members' Allowance Scheme.
6. The first meeting of the Audit, Risk and Governance Committee with an independent co-opted member in attendance will be 27 January 2025.

Role Details

There are no statutory definitions of 'independent' for audit committee members in local authorities in England. However, statutory criteria do exist for combined authorities' audit committee members, independent persons on conduct matters, and members of Independent Remuneration Panels, and it is proposed that similar criteria are put in place for this role.

It is therefore suggested that the independent co-opted member must:

- a) Be over 18 years of age;
- b) Not currently be, or within the last five years have been:
 - i) A county councillor for Lancashire County Council;

- ii) An employee of Lancashire County Council;
 - iii) An employee or director of any of Lancashire County Council's wholly or partly owned companies;
 - iv) A councillor or employee of a parish, town or district council in Lancashire;
- c) Not be a relative or close friend or associate of a county councillor or employee of Lancashire County Council;
 - d) Not be a relative or close friend or associate of a councillor or employee of a parish, town or district council in Lancashire;
 - e) Not be a member of a political party or have any formal connection with a political group on Lancashire County Council;
 - f) Not be disqualified from being a councillor of any authority*; and
 - g) Not have any significant business dealings with Lancashire County Council, including working for an organisation which receives grants from the council.

*Information about disqualifications can be obtained from [the Electoral Commission](#).

There is no limit on the number of local authority audit committees a person may be appointed to as an independent co-opted member, provided any other requirements are met.

There is also no direction on an independent co-opted member's term of office. However, to ensure their independence, it is suggested that a two-year appointment is made, with the option to extend by one further two-year term. The maximum total length of time an independent co-opted member could support the committee would therefore be four years.

It is important that the independent co-opted member appointed has suitable expertise and/or experience to support the committee. The Appointments Sub-Committee will therefore be asked to consider how the appointed person can meet the responsibilities and commitments below:

- Attending and constructively participating in meetings;
- Thorough preparation for meetings through careful consideration of agendas and reports;
- Adopting and demonstrating a politically neutral perspective in contributing to the work of the committee, including asking appropriate questions of the council's management;
- Applying relevant skills and experiences to add value and depth to the work of the committee;
- Attending training sessions arranged by the council and committing to personal development in the role; and

- Abiding by the council's Constitution, including the [Code of Member Conduct](#) and the Seven Principles of Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership).

Therefore, knowledge or previous experience of the following will be desirable:

- Local authority audit committees;
- Local government, including the roles of members and officers;
- Lancashire County Council's objectives, key activities, and challenges;
- Financial management, accountancy, risk management or governance within the public or private sector; and
- The role and purpose of internal and external audit.

The allowance paid to independent co-opted members of other local authority audit committees varies. Some authorities do not pay an allowance and only cover travel expenses; others pay an annual allowance of between £1,000 and £2,500. The council's Independent Remuneration Panel will be asked to consider an appropriate allowance for the independent co-opted member, to recognise the time commitment and other incidental costs associated with this role.