

Divisions affected – All

**COUNCIL
11 JULY 2023**

**INDEPENDENT MEMBERS OF THE AUDIT AND GOVERNANCE
COMMITTEE**

Report of the Director of Law & Governance and Monitoring Officer

RECOMMENDATION

1. The Council is RECOMMENDED

To introduce an allowance of £3,156 per annum for new Independent Members of the Audit and Governance Committee in line with the recommendation of the Independent Remuneration Panel.

Independent Members of the Audit and Governance Committee

2. It is proposed that up to two new Independent Members are appointed to the Audit and Governance Committee. The roles will shortly be advertised.
3. The Chartered Institute of Public Finance Accountancy (CIPFA) guidance recommends that local authority audit committees should include at least two co-opted independent members.
4. Independent Members are an important part of the corporate governance assurance framework. They should bring knowledge and skills relating to accounting, budget management, risk and control that are complementary to the elected members on the committee.
5. Independent Members do not have a vote in the same way as elected members on the committee. They are at meetings in an advisory and consultative capacity and are fully involved in the discussions on all the matters considered by the committee.
6. There are six formal meetings of the Audit and Governance Committee each year. The Independent Members will be expected to attend these meetings and participate at working group meetings and training sessions as appropriate.

In order to undertake the role effectively they will need to make time to read meeting papers and undertake background reading as necessary.

7. The Independent Remuneration Panel has met to consider an appropriate level of allowance and their report is attached. They recommend an annual allowance of £3,156 for each of the Independent Members to reflect the significance of the role.
8. An allowance of £7,584 is currently paid to the Independent Member who sits on the Audit and Governance Committee and chairs the Audit Working Group. This allowance will continue until that Independent Member steps down following a period of transition to the two new Independent Members. In future there is not an expectation that an Independent Member chairs the Audit Working Group.
9. Independent Members cannot be drawn from people who have served as elected members or employees of Oxfordshire County Council within the last five years.
10. It is proposed that there will be a wider review of the appointment process and allowances for other roles where the Council appoints independent people. This includes people who are co-opted onto council committees and who support the democratic process in other ways.

Corporate policies and priorities

11. Independent Members of the Audit and Governance Committee are an important part of the corporate governance assurance framework.

Financial implications

12. The 2023-24 Revenue Budget includes sufficient funds for the payment of allowances to the Independent Members of the Audit and Governance Committee.

Legal implications

13. The IRP is appointed under the Local Authorities (Members' Allowances)(England) Regulations 2003 (the Regulations), to consider a Councillor Allowances Scheme and to make recommendations to the Council on any changes to the scheme it believes are appropriate. The Council cannot make any amendments to the scheme without having first considered any recommendations made by the IRP.

Employee implications

14. No direct implications affecting employees

Equality and inclusion implications

15. Local people, including those from minority and protected groups, should not be discouraged from applying for co-opted positions at the Council.

Anita Bradley

Director of Law & Governance and Monitoring Officer

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July 2023

Report of the Independent Remuneration Panel (IRP) – 30 June 2023

Members of the IRP – David Shelmerdine (Chair), Martyn Hocking and Katherine Powley

1 Role assessed

Independent Member of the Audit and Governance Committee

The IRP noted that the Chartered Institute of Public Finance Accountancy (CIPFA) guidance recommends that local authority audit committees should include at least two co-opted independent members. They recognised that Independent Members are an important part of the corporate governance assurance framework bringing knowledge and skills relating to accounting, budget management, risk and control that are complementary to the elected members on the committee.

Independent Members cannot be drawn from people who have served as elected members or employees of Oxfordshire County Council within the last five years.

2 Time commitment

There are six formal meetings of the Audit and Governance Committee each year. The Independent Members will be expected to attend these meetings and participate at working group meetings and training sessions as appropriate. In order to undertake the role effectively they will need to make time to read meeting papers and undertake background reading as necessary.

3 Other factors

Independent Members do not have a vote in the same way as elected members on the committee. They are at meetings in an advisory and consultative capacity and are fully involved in the discussions on all the matters considered by the committee.

An allowance of £7,584 is currently paid to the Independent Member who sits on the Audit and Governance Committee and chairs the Audit Working Group. This allowance will continue until that Independent Member steps down following a period of transition to the two new Independent Members. In future there will not be an expectation that an Independent Member chairs the Audit Working Group.

4 Recommendation

The IRP noted the level of allowances paid in other local authority areas and the particular demands in Oxfordshire of recruiting to independent roles where other organisations were looking for people to fulfil similar roles.

They recommend an annual allowance of £3,156 for each of the Independent Members to reflect the significance of the role.

The IRP welcomes proposals to undertake a wider review of the appointment process and allowances for other roles where the Council appoints independent people. This includes people who are co-opted onto council committees and who support the democratic process in other ways.

30 June 2023