

## **COUNCIL**

<b>DATE</b>	18 <sup>th</sup> July 2024
<b>REPORT OF</b>	The Monitoring Officer
<b>SUBJECT</b>	Appointment of second independent member to the Audit and Governance Committee.
<b>STATUS</b>	Open

### **CONTRIBUTION TO OUR AIMS**

An effective Audit and Governance Committee contributes to the achievement of strategic objectives by seeking and receiving assurance on the systems of risk management, governance and internal control which underpin the delivery of these objectives.

### **EXECUTIVE SUMMARY**

At its meeting on 28<sup>th</sup> September 2023, the Council agreed that the Audit and Governance Committee's membership be increased to include a second independent member. This was based on best practice guidance that local government audit committees should have two independent members. This report details the outcome of the selection process and seeks to confirm the appointment of the second independent member.

### **RECOMMENDATIONS**

1. That Mr Walter Leschenko be appointed as the second independent member of the Audit and Governance Committee, subject to confirmation of references.
2. That authority be delegated to the Chief Executive, in consultation with the Leader of the Council, to finalise the conditions of appointment to this role.
3. That the recommendation of the Independent Remuneration Panel on the appropriate rate of remuneration for this role be approved.

### **REASONS FOR DECISION.**

The introduction of a suitably skilled and experienced second independent member would strengthen the Committee and ensure that the Committee complies with best practice.

#### **1. BACKGROUND AND ISSUES**

- 1.1 At its meeting on 28<sup>th</sup> September 2023, the Council agreed that the Audit and Governance Committee's membership be increased to include a second independent member. This was based on best practice guidance that local

government audit committees should have two independent members. The independent member would not have a vote in the same way as councillors do at committee and will be there in an advisory consultative manner. Council further agreed that the remuneration for this position would be a matter for consideration by the Council's Independent Remuneration Panel, with its recommendations be considered by Council when confirming the appointment.

- 1.2 The Independent Remuneration Panel met on 15<sup>th</sup> November 2023 to consider the level of remuneration for this role. The panel considered the level of knowledge and experience in the field required for the position, as well as benchmarking information provided from neighbouring authorities. The panel were mindful of the technical nature of the committee's work and also recognised the need to consider the succession element of this role with the second independent member ideally being able to take on the independent Chair's role at the appropriate time. Therefore, the panel recommended an allowance of £2250 for this role. Prior to advertising the role, this recommendation was referred to Group Leaders for initial comment and there was no objection to the proposal. The level of remuneration remains a matter for Council to agree.
- 1.3 In line with the application process agreed by Council, a selection panel comprising Mr Tim Render, the independent Chair of the Audit and Governance Committee, and Councillors Boyd, Holland and Patrick, was convened to interview candidates on 11<sup>th</sup> July 2024. The selection panel was supported by the Head of Audit and Assurance and the Assistant Director of Finance. The panel recommended the appointment of Mr Walter Leschenko. It is a matter for full Council to confirm this appointment.
- 1.4 If appointed, the second independent member would be invited to serve for a term of office of four years, co-terminus with an elected members term of office.

## **2. RISKS AND OPPORTUNITIES**

The Audit Committee has a leading role to play in ensuring that the Council's governance and internal control arrangements are effective and contribute to the mitigation of risks. As the complexity of Council operations, and especially of the financial accounts, increases, it is important that the Committee is resourced to play its part in mitigation of risks that may arise from areas that it oversee.

## **3. OTHER OPTIONS CONSIDERED**

The Committee could decide not to appoint the recommended candidate and a further selection process would need to be undertaken.

#### **4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS**

There are no specific reputational issues related to this report. However, having a second independent member of the Committee will enhance the Council's reputation by complying with best practice.

#### **5. FINANCIAL CONSIDERATIONS**

As outlined above, there would be a financial cost from appointing a second independent Committee member if the recommended level of remuneration was agreed. This would need to be managed within the existing Members Allowances budget.

#### **6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS**

There are no direct implications for children and young people arising from the proposal in this report.

#### **7. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS**

There are no direct climate change and environmental implications arising from the proposal in this report.

#### **8. FINANCIAL IMPLICATIONS**

There are no direct financial implications arising from the proposal in this report.

#### **9. LEGAL IMPLICATIONS**

There are no direct legal implications arising from the proposal in this report.

#### **10. HUMAN RESOURCES IMPLICATIONS**

There are no direct human resources implications arising from the proposal in this report.

#### **11. WARD IMPLICATIONS**

The work of the Audit and Governance Committee is applicable to all wards.

#### **12. BACKGROUND PAPERS**

None.

#### **13. CONTACT OFFICER**

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