

Somerset County Council

Independent Member Recruitment Information Pack

Appointment of an Independent Member to the Audit Committee

Background Information

Somerset County Council is keen to implement continuous improvement in the areas of corporate governance and robust financial management. The Council's Audit Committee provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

In 2020 the Government asked Sir Tony Redmond to conduct an independent review into local authority financial reporting and external audit. One of the review recommendations related to the appointment of independent persons as co-opted members of Audit Committees. Whilst not a statutory requirement a number of councils have independent members on their Audit Committees and the Council's Audit Committee asked the County Council to approve its request to recruit and appoint an independent member.

Functions

The Audit Committee is responsible for overseeing the authority's corporate governance arrangements and reviewing its financial internal controls. This includes monitoring of the internal audit reporting, risk management reporting and the financial reporting process. The Independent Member plays a key role in the understanding of and reviewing the authority's statement of accounts for its approval.

The successful applicant must be able to demonstrate the desire to serve the local community and uphold local democracy and be able to receive reports and presentations from key partners, including the Council's internal auditors and external auditors.

The Committee provides independent assurance of the adequacy of the risk management framework and associated control environment and independent scrutiny of the authority's financial and other performance to the extent that it reflects on exposure to risk or weakens the control environment.

To assist applicants, the following documents are attached:

- 1. Independent Member Role Specification.

- 2. Person Specification
- 3. Audit Committee Terms of Reference
- 4. Disqualifications for Appointment

Eligibility for Appointment

A person cannot be appointed as an Independent Member if they are or were within a period of five years prior to the appointment:

- (a) A member, or co-opted member or officer of Somerset County Council,
- (b) A member, or co-opted member or officer of a Town or Parish Council within the area of Somerset County Council,

or, if they have a relative or close friend of a person in (a) or (b) above – see below.

A relative is defined as:

- (a) The applicant's spouse or civil partner;
- (b) Any person with whom the applicant is living as if they were spouse or civil partners;
- (c) The applicant's grandparent;
- (d) Any person who is a lineal descendent of the applicant's grandparent;
- (e) A parent, brother, sister or child of anyone in paragraphs (a) or (b);
- (f) The spouse or civil partner of anyone within paragraphs (c), (d) or (e); or
- (g) Any person living with a person within paragraphs (c), (d) or (e) as if they were spouse or civil partner to that person.

There are also restrictions on appointment for persons who have been convicted of any criminal offence, or is an undischarged bankrupt and there are also requirements that the Member has not significant business dealings with the Council or any formal connection with any political group.

Financial management experience is an essential requirement for this role.

Information about the Role

The Independent Member will need to be contactable at all times during regular working hours (Monday-Friday 9am to 5pm) by telephone or by email and will need to be available to attend meetings in the day time, perhaps sometimes at relatively short notice. All scheduled Audit Committee meetings for 2021 and 2022 are for 10am Thursday mornings.

The Committee meets approximately five to seven times each year and the Independent Member will be required to attend these meetings.

This is not a job vacancy, and should you be appointed as an Independent Member you will not be an employee of the Council. This role does not attract any financial recompense, other than reimbursement of necessary travel expenses and a subsistence allowance. As a co-opted member you may be able to claim a financial loss of earnings allowance for loss of earnings and expenses through undertaking this role i.e. attending meetings and briefings.

The term of office will be for a fixed term until 31/3/2023 (up to vesting of the Unitary Council) and will be subject to the Independent Member maintaining high standards of personal conduct. The Council may terminate an appointment at any time.

Completion and Submission of Application Form

The selection criteria for the role is set out in the person specification. Please ensure that you carefully demonstrate in your application form how you meet the criteria, as this will be used to assist in the short-listing process.

Applications will be assessed by reference to your completed application form and, if shortlisted, by interview. Shortlisted applicants will be invited to attend for interview. The successful applicant will receive specific training to enable them to undertake the role effectively.

Applications must be received by midnight on 20 December 2021.

Interviews will be held during the week commencing 3 January 2022.

1. Independent Member Role Specification

Background Information

The aim of the independent member is to bring a fresh and objective viewpoint to the work of the Audit Committee and support them to carry out their work. The Audit Committee comprises 8 County Councillors who are not part of the ruling administration.

The role of the Audit Committee has evolved and it has become central to the governance, internal control, compliance and risk aspects of the operation of the Council. Having an independent voice with the appropriate background knowledge and skills is advocated by the Chartered Institute of Public Finance and Accountancy (CIPFA) in their Audit Committee Guidance.

The work of the Audit Committee includes:-

Annual Governance Statement – [Annual Governance Statement \(somerset.gov.uk\)](https://www.somerset.gov.uk/annual-governance-statement)

Audit Committee Annual Report – [Somerset County Council](#)

Annual Statement of Accounts – [Final Audited Statement of Accounts 2019-20](#)

Full details of the Committee's responsibilities are in the Audit Committee's Terms of Reference attached as an extract from the County Council's Constitution.

Members of the Audit Committee receive on-going training relevant to their role and are expected to keep up to date. The independent member will be appointed through a process of public advertisement, application, interview and appointment.

The Council has a commitment to equal opportunities and welcomes applicants from all sections of the community. Also we operate a no smoking policy. This role does not attract any financial recompense, other than reimbursement of necessary travel expenses and a subsistence allowance. As a co-opted member you may be able to claim a financial loss of earnings allowance for loss of earnings and expenses through undertaking this role i.e. attending meetings and briefings.

The independent member will attend and participate in meetings of the County Council's Audit Committee. The Audit Committee meets 5-7 times per year and on an 'exception' basis as required. The term of office will be for a fixed term until 31/3/2023 (up to vesting of the Unitary Council) and will be subject to the Independent Member maintaining high standards of personal conduct. The Council may terminate an appointment at any time.

The independent member, through their participation will assist the Audit Committee to discharge their powers and functions. It will be important for the appointed person to:

- To apply strategic thinking and materiality to reports presented and be able to review at an appropriate level.
- To ask questions that draw out relevant facts and explanations.
- To provide challenge.
- To seek understanding and enable solutions.
- To evaluate information on the basis of evidence presented without political bias.
- To weigh up differing views and be able to come to an evidence based conclusion.
- To ask difficult questions to get to the facts while maintaining positive relationships.

Given the independent nature of this role, we would not appoint a person who:

- has within the period of five years immediately preceding the date of the appointment been a member or officer of Somerset County Council
- is a serving member or officer of any other local authority, or
- is a relative or close friend of a member or officer of Somerset County Council

Also attached are further details on Disqualifications for Appointment.

2. Person Specification

Requirements	Where identified	Essential	Desirable
A broad range of experience in any sector with Board experience, preferably in an audit role.	A	Yes	
Understanding of the wider local government environment and accountability structures.	A		Yes
Strategic/financial management responsibilities	A		Yes
Qualification in accountancy, finance, risk management, business management or internal audit.	A		Yes
Good understanding of corporate governance and risk management. The ability to formulate and evaluate solutions to the issues identified.	A	Yes	
Good understanding of the roles of internal and external audit.	I	Yes	
Ability to understand complex issues and make objective, evidence-based decisions.	I	Yes	
Strong interpersonal and communication skills	I	Yes	
Willingness to participate in meetings and ask searching questions in order to challenge and hold to account Council Officers and the representatives of internal and external audit.	I	Yes	
Attend and prepare for each meeting of the Audit Committee.	I	Yes	
Ability/willingness to attend any relevant training or development activities associated with the role.	I	Yes	
Independence of mind, objectivity and impartiality.	I	Yes	

***A is application form – I is Interview**

3. Audit Committee terms of reference

AUDIT COMMITTEE

FUNCTIONS: In summary, the Committee approves internal audit arrangements, considers external audit reports and deals with other governance matters including risk.

The Committee:

- (a) Approves (but not directs) internal audit's strategy, plan and performance;
- (b) Reviews summary internal audit reports and the main issues arising, and seeks assurance that action has been taken where necessary;
- (c) Considers the reports of external audit and inspection agencies;
- (d) Ensures that the Council's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it;
- (e) Ensures that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process and effective financial governance is actively promoted;
- (f) Reviews the financial statements, external auditor's opinion and reports to Members, and monitors management action in response to the issues raised by external audit.
- (g) Approves the annual accounts of the Council and the Annual Governance Statement, together with considering the Matters Arising from the Accounts Audit.

FORM AND COMPOSITION:

The Committee comprises 9 Members and the membership reflects the political composition of the Council. Membership must not include Cabinet Members. Substitution is allowed but excluding Cabinet Members.

QUORUM:

A minimum of 5 members is required for a valid meeting of the Committee.

COMMITTEE BUSINESS:

The following can include items on the Committee's agenda: (a) The Committee itself (b) Full Council (c) A member of the Committee (d) The Chief Executive (e) The Monitoring Officer (f) The County Solicitor (g) The Chief Internal Auditor (h) The Section 151 Officer.

REPORTING:

The Committee submits an Annual Report to Full Council and reports to the Leader / Cabinet as necessary.

4. Disqualifications for Appointment

Summary of Sections 80 and 81 of the Local Government Act 1972.

(i) A person shall be disqualified from being appointed if he/she: -

(a) holds any paid office or employment with the Authority;

(b) is a person who has been adjudged bankrupt or made a composition or arrangement with his/her creditors;

(c) has, within five years before the day of his/her appointment, been convicted of any offence and had passed upon him/her a sentence of imprisonment (whether suspended or not) for a period of not less than three months without the option of a fine;

(d) has been convicted of a corrupt or illegal practice under Part III of the Representation of the People Act 1983;

(e) is disqualified for membership for a specified period by Order of the Court because of his/her involvement in expenditure contrary to law; and

(f) is disqualified from membership for five years following an Auditor's certificate that a loss or deficiency has been caused by his/her wilful misconduct while a member of a local authority.

(ii) The disqualification attaching to a person by reason of having been adjudged bankrupt ceases: -

(a) on his/her discharge from bankruptcy unless the bankruptcy order made against the person is previously annulled; and

(b) if the bankruptcy order is so annulled, on the date of the annulment.

(iii) The disqualification attaching to a person by reason of his/her having made a composition or arrangement with his/her creditors ceases: -

(a) on the date on which payment is completed if he/she pays the debts in full;
or

(b) in any other case, on the expiration of five years from the date on which the terms of the deed of composition or arrangement are fulfilled.