

COUNCIL
THURSDAY, 21 MAY 2026

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: EXTENSION OF APPOINTMENT OF INDEPENDENT MEMBER OF FINANCE, AUDIT AND RISK COMMITTEE

REPORT OF: Chief Finance Officer

COUNCIL PRIORITY: Sustainability;

1. EXECUTIVE SUMMARY

To extend the appointment of John Cannon as Independent Member of Finance, Audit and Risk (FAR) Committee until 31st March 2028. This reflects the positive contribution that John Cannon has made to the Committee, it is also in accordance with CIPFA best practise and reflects Local Government Reorganisation timelines.

2. RECOMMENDATIONS

- 2.1. That John Cannon's appointment as the Independent Member for Finance, Audit and Risk Committee is extended until 31st March 2028.

3. REASONS FOR RECOMMENDATIONS

- 3.1. John Cannon was appointed as the Independent Member for Finance, Audit and Risk (FAR) Committee in July 2022, for a period of 4 years. The request to extend his appointment reflects the positive contribution that he has made and is the practical option with the Local Government Reorganisation timeline of April 2028. It is also in line with CIPFA (Chartered Institute of Public Finance and Accountancy) best practice.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. The Council could choose to advertise for a new Independent Member for the FAR Committee. This is not recommended as the Council would lose the experience and knowledge from the incumbent. It is also more work for Officers in the context of a relatively short timescale until the Council will be replaced by a Unitary Council. The Unitary Council will need to make its own arrangements for appointing an Independent Member to its Audit Committee.
- 4.2. The Council could choose to not have an Independent Member on the FAR Committee. This is not recommended as it has been shown that having an Independent Member supports the work of the Committee, and it is also in accordance with CIPFA best practice. The benefits of having an Independent Member are providing additional knowledge and expertise, having a different perspective and providing continuity.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. The Chair of FAR has been consulted and supports this proposal.

6. FORWARD PLAN

- 6.1 This report does not contain a recommendation on a key Executive decision and has therefore not been referred to in the Forward Plan.

7. BACKGROUND

- 7.1. In November 2021, Council approved the creation of a role of Independent Member of FAR.
- 7.2. Following an open recruitment process, John Cannon was determined to be the best candidate. His appointment was approved by Council in July 2022. He attended his first meeting of FAR in September 2022. The appointment was for a period of 4 years.

8. RELEVANT CONSIDERATIONS

- 8.1. As the 4 year period of the appointment is coming to an end, it is necessary to consider next steps.
- 8.2. John Cannon has been consulted and is willing to carry on with the role. Feedback from the Chair and other members of FAR has been positive on the contribution that John has made.
- 8.3. FAR is the Council's Audit Committee. CIPFA issue best practice guidance on Audit Committees. As well as encouraging that Councils have an Independent Member on their Audit Committee, it recommends that they should serve for up to 2 terms. The length of a term is undefined, but 4 years would align with the standard term of Councillors. This would mean serving for up to 8 years.
- 8.4. The LGR process also adds weight to extending the appointment. On expected timescales, the Council will be replaced by a Unitary Council from April 2028. That Unitary Council will have to make its own arrangements (if they choose to) for appointing an Independent Member to their Audit Committee. That means that the remaining period for this Council to have an Independent Member for FAR is around 21 months. This shorter time may not be very appealing for applicants if the role was advertised. It is also additional work for Officers in advertising the role, short-listing, interviewing and then providing training.

9. LEGAL IMPLICATIONS

- 9.1. The Council's Finance, Audit and Risk Committee is established further to the Local Government Acts 1972 and 2000 and its purpose is to give assurance to elected members and the public about the governance, financial reporting and performance of the Council. Having a non-voting independent member on the committee will assist and promote good governance and scrutiny of the committee.
- 9.2. The Terms of Reference for Council include "appointing committees of the Council and agreeing and/or amending the terms of reference of any committees or other bodies

appointed by the Full Council deciding on their composition and making appointments to them” (Constitution 4.4 (g)).

10. FINANCIAL IMPLICATIONS

- 10.1. There are no specific financial implications of this decision. The Independent Member role receives an allowance as set out in the Members Allowance Scheme. This payment is covered by the existing budget.

11. RISK IMPLICATIONS

- 11.1. Good Risk Management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.
- 11.2. The benefit of appointing a new Independent Member is to provide a new perspective, which could come from different skills of experience. The opportunity for that is reduced by the term available, as any changes would take time to be considered and then enacted.
- 11.3. The risk of appointing a new Independent Member is that they are less effective. This risk is greater with a shorter term as the role may be less appealing.

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. There are no equalities implications arising from this decision. When originally recruited to there was an open advert and full HR processes were followed.

13. SOCIAL VALUE IMPLICATIONS

- 13.1. The Social Value Act and “go local” requirements do not apply to this report.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. There are no known Environmental impacts or requirements that apply to this decision.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 There are no significant HR implications arising from this recommendation.

16. APPENDICES

- 16.1 None

17. CONTACT OFFICERS

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18. BACKGROUND PAPERS

- 18.1 Council report, November 2021: <https://democracy.north-herts.gov.uk/documents/s17759/Independent%20member%20of%20Finance%20Audit%20and%20Risk%20Committee.pdf>
- 18.2 Council report, July 2022: <https://democracy.north-herts.gov.uk/documents/s19681/Independent%20FAR%20Member.pdf>