

Meeting: Council

Date: 26 September 2019

Wards Affected: All

Report Title: Appointment of Independent Person for Audit Committee

Is the decision a key decision? No

When does the decision need to be implemented? As soon as possible

Cabinet Member Contact Details: Councillor Carter, Cabinet Member Corporate and Community Services, christine.carter@torbay.gov.uk

Supporting Officer Contact Details: June Gurry, Head of Governance, (01803) 207012, june.gurry@torbay.gov.uk

1. Proposal and Reasons for Proposal

- 1.1 At the meeting of the Audit Committee on 18 June 2019, Members resolved to recruit and appoint an Independent Person. CIPFA's 'Audit Committees: Practical Guidance for Local Authorities and Police' 2018 Edition, recommends local authorities actively explore the appointment of an independent member to join local authority Audit Committees. The attached advert and role profile has been developed based on the aforementioned CIPFA guidance.
- 1.2 Good practice has shown that co-option of Independent Person(s) is beneficial to audit committees with the appointment of an Independent Person providing additional benefits such as:
 - Additional knowledge and expertise to the committee;
 - Reinforcement of the political neutrality and independence of the Audit Committee; and
 - Continuity of committee membership where membership is affected by the electoral cycle.
- 1.3 There are also some pitfalls to the use of Independent Person(s) which should also be borne in mind:
 - Over-reliance on the Independent Person by other committee members can lead to a lack of engagement across the full committee;
 - Lack of organisational knowledge or 'context' among the Independent Members when considering risk registers or audit reports; and
 - Effort is required from both the Independent Person and Officers to establish an effective working relationship and establish appropriate protocols for briefings and access to information.

- 1.4 The Independent Person will not possess any voting rights but will be able to actively participate in debate which ultimately would lead to a decision being made.
- 1.5 The CIPFA guidance referred to above provides guidance on recruitment process and states that the requirement for knowledge or expertise should be clearly determined and candidates should be able to demonstrate their political independence and their suitability should be checked. Independent Person(s) appointments should be for a fixed term and be formally approved by Council. Whilst operating as a member of the Audit Committee, the Independent Person will be expected to follow the same code of conduct as elected members and a register of interests will be required.
- 1.6 To ensure the independence of the appointment, approval is being sought for Council to delegate authority to the Employment Committee to undertake the recruitment and interview process. Initially a 5 year term of office is proposed to ensure continuity after the local elections in 2023, the term of office thereafter can be extended for a further 4 years. To maintain independence an Independent Person will only be permitted to serve two terms of office.

2. Associated financial commitments

- 2.1 At present it is anticipated that the role of Independent Person is a voluntary role, however some other authorities provide financial inducement. Given the Council's current financial pressures a financial inducement is not an option.

3. Recommendation(s) / Proposed Decision

- (i) that the advert and role profile as set out in Appendix 1 be approved; and
- (ii) that authority be delegated to the Employment Committee to appoint an Independent Person for the Audit Committee for an initial term of 5 years, in accordance with the role profile set out in Appendix 1.

Appendices

Appendix 1: Recruitment Advert and Role Profile

Background Documents

CIPFA Audit Committees – Practical Guidance for Local Authorities and Police 2018 Edition