

**Audit, Governance
& Standards Committee
2022**

14th April

Audit, Governance and Standards Committee – Independent Member

Relevant Portfolio Holder	Councillor Mike Rouse - Portfolio Holder for Finance and Enabling
Portfolio Holder Consulted	Yes
Relevant Head of Service	Peter Carpenter, Interim Head of Financial and Customer Services
Report Author James Howse	Job Title: Executive Director of Resources Contact email: james.howse@bromsgoveandredditch.gov.uk Contact Tel: 01527 64252 Ext: 1205
Wards Affected	N/A
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	An Effective and Sustainable Council
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

The Audit, Governance and Standards Committee is asked to agree one of the following options:

- 1) RESOLVE that the position of Independent Member of the Audit, Governance and Standards Committee be advertised as an unpaid, non-voting voluntary position; OR**
- 2) RECOMMEND that the Council allocate an allowance to be paid to the position of Independent Member of the Audit, Governance and Standards Committee and this position should be advertised as a non-voting position; OR**
- 3) RESOLVE that no further action be taken to appoint an Independent Member to serve on the Audit, Governance and Standards Committee.**

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2. BACKGROUND

- 2.1 In December 2013 an Independent Member was appointed to serve on the Council's then Audit and Governance Committee.
- 2.2 This Independent Member remained in post when the Audit, Governance and Standards Committee was formed by combining the former Audit and Governance Committee with the then Standards Committee. He was subsequently reappointed for a further four-year term in February 2018. However, the Independent Member resigned from this position in July 2018.
- 2.3 In January 2020, Members agreed that the position of Independent Member of the Audit, Governance and Standards Committee should be advertised for recruitment. Members were advised at the time that the post holder would not receive remuneration for the role, although could claim travel expenses.
- 2.4 In September 2020, the position of Independent Member of the Audit, Governance and Standards Committee was advertised through the Council's recruitment process. No applications were received from any potential candidates for the position.
- 2.5 At a meeting of the Audit, Governance and Standards Committee held in November 2020, Members noted that the recruitment campaign had been unsuccessful and agreed that the potential to recruit an Independent Member should be reviewed each year.
- 2.7 The Audit, Governance and Standards Committee subsequently considered the potential to appoint an Independent Member to serve on the Committee at a meeting held in October 2021. Further information on this subject, including the approach adopted by other Councils in respect of recruiting an Independent Member, was requested and it was agreed that this should be reported for Members' consideration at the last meeting of the Committee in the 2021/22 municipal year.

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- 2.8 Officers have reviewed the options available in terms of the potential to appoint an Independent Member to serve on the Audit, Governance and Standards Committee. Members are invited to consider which option they feel is the most appropriate.

3. FINANCIAL IMPLICATIONS

- 3.1 To date, the Independent Member position on the Audit, Governance and Standards Committee has been an unpaid, voluntary post although reimbursement for travelling expenses can be made.
- 3.2 Should Members support option 2, whereby the Independent Member would receive remuneration for the role, this would need to be referred to Council for approval due to the financial implications for the authority. The level of remuneration would need to be determined, although it is suggested that this should be less than the basic allowance for Members of £4,732 per annum in the 2022/23 municipal year.
- 3.3 Members are asked to note that, should they choose either option 1 or option 2 this will have financial implications for the Council arising from the costs entailed in undertaking a recruitment process. These costs are estimated to be in the region of £1,000.
- 3.4 Should Members opt for option 3, which would be to not recruit an Independent Member to serve on the Audit, Governance and Standards Committee, this would have no financial implications for the Council.
- 3.5 It is anticipated that the level of interest in the role should it be advertised, and the quality of any applications to the role of independent member, would be influenced by the level of remuneration offered.

4. LEGAL IMPLICATIONS

- 4.1 The constitution of the Council states “the Audit, Governance and Standards Committee shall be entitled to appoint a number of people as non-voting co-optees”.

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- 4.2 Independent members of the Audit, Governance and Standards Committee do not have voting rights in accordance with Section 13 of the Local Government and Housing Act 1989.

5. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

- 5.1 In choosing an option, Members are asked to consider which approach they feel would best enable the authority to demonstrate that it is an effective and sustainable Council.

Climate Change Implications

- 5.2 There are no specific climate change implications.

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

- 6.1 There are no specific equalities and diversity implications.

Operational Implications

- 6.2 The appointment of an Independent Member to serve on a local Audit Committee is considered by CIPFA to be best practice.
- 6.3 Different approaches are adopted by different Councils across the country in terms of the appointment of an Independent Member to serve on their Audit Committees.
- 6.4 In Worcestershire, Wychavon District Council and Wyre Forest District Council both have an Independent Member appointed to their Audit Committees, whilst Bromsgrove District Council, Malvern Hills District Council, Worcester City Council and Worcestershire County Council do not currently have an Independent Member serving on their Audit Committees.

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- 6.5 There can potentially be both positive implications and challenges arising from the appointment of an Independent Member to serve on a Council's Audit Committee. Some of these implications are detailed in the table below:

Potential Positive Implications	Potential Challenges
An Independent Member can bring additional knowledge and expertise to the Committee.	The potential for overreliance on the Independent Member by other members of the Committee resulting in a lack of engagement across the Committee.
An Independent Member can help to reinforce the independence and neutrality of the Committee.	Lack of organisational knowledge may impact on the value of their contribution. It is difficult to verify independence / neutrality prior to appointment and is possible that motivations that are not in the best interests of the Council.
An Independent Member can help to maintain continuity in membership of the Committee, which may otherwise change following local elections.	The need for Members and Officers to spend time building constructive working relationships with the Independent Member could be resource intensive.

- 6.6 Should Members agree that a new appointment should be made, it would be necessary to establish an interview panel, consisting of 4 elected members from amongst the Audit, Governance and Standards Committee membership, with delegated authority to interview candidates for the position of independent member.
- 6.7 Previously Members agreed that it was reasonable to follow guidance as currently in place for appointment to the independent remuneration panel to appoint to the role. The criteria for appointments is that independent members cannot be:
- a member of any local authority in the area (including Parish Council)

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- disqualified from being an elected member of a local authority
- a member of any committee or sub-committee of the local authority, including being a co-opted member
- a member of a political party to ensure independence
- a relative or close friend of a Member or employee of the Council

6.8 Members of Feckenham Parish Council have previously served as non-voting co-opted members on the Audit, Governance and Standards Committee to speak on standards matters. Whilst currently there is no Parish Councillor serving as a co-opted member of the Committee, there remains an open invitation to Parish Councillors from Feckenham Parish Council to serve in this capacity.

7. RISK MANAGEMENT

7.1 The Audit, Governance and Standards Committee plays an important role in good governance including risk management.

8. APPENDICES and BACKGROUND PAPERS

Report in respect of the appointment of an Independent Member considered by the Audit, Governance and Standards Committee on 7th March 2019.

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9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor Mike Rouse – Portfolio Holder for Finance and Enabling	March 2022
Lead Director / Head of Service	James Howse – Executive Director	March 2022
Financial Services	James Howse – Executive Director	March 2022
Legal Services	Clare Flanagan – Principal Solicitor	March 2022